

Mondell resolution enfranchising women; to the Committee on the Judiciary.

By Mr. McCLELLAN: Petition of 305 citizens of Ulster County, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MCCOY: Petitions of 4,885 citizens of the ninth congressional district of New Jersey, against national prohibition; to the Committee on the Judiciary.

Also, petition of 3,000 citizens of Essex County, N. J., against national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Essex County, N. J., and other cities of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of various banks of Newark, N. J., favoring amendment to income-tax law; to the Committee on Ways and Means.

By Mr. MCGILLICUDDY: Petitions and resolutions of the Eaton Memorial Methodist Episcopal Church, of Livermore Falls; the Hannibal Street Methodist Episcopal Church, of Lewiston; the Park Street Methodist Episcopal Church, of Lewiston; the High Street Congregational Church, of Auburn; East Hebron Grange, No. 300, of Turner; Advance Lodge, No. 10, Independent Order of Good Templars, of South Lewiston; and sundry citizens of East Hebron and Livermore Falls, all of the State of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petitions of various churches and organizations, representing 1,071 citizens of Lincoln, Nebr., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MOTT: Petition of sundry citizens of the thirty-second congressional district of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Three Mile Bay, Philadelphia, and Earlville, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. NEELY of West Virginia: Petitions of the West Milford Methodist Episcopal Church, of West Milford; the Duff Street Sunday School; the Sycamore Methodist Episcopal Church; the Coburns Creek Methodist Episcopal Church; the St. Paul's Sunday School; the First Methodist Episcopal Sunday School; the First Presbyterian Sunday School; the St. Mark's Evangelical Lutheran Sunday School; the First Baptist Sunday School; and the Christian Church Sunday School, all of Clarksburg, W. Va., for national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. NELSON: Petition of sundry citizens of Darlington, Wis., and Grant County, Wis., against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the third congressional district of Wisconsin, favoring woman suffrage amendment; to the Committee on the Judiciary.

By Mr. J. I. NOLAN: Memorial of the Chamber of Commerce of San Francisco, Cal., favoring the passage of Senate bill 3993, relative to appropriation for new buildings for marine hospital at San Francisco, Cal.; to the Committee on Appropriations.

By Mr. PAIGE of Massachusetts: Petition of sundry citizens of Athol, Mass., favoring passage of House bill 12923, retaining section 6; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Athol and Petersham, Mass., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. PHELAN: Petition of sundry citizens of Massachusetts, against national prohibition; to the Committee on the Judiciary.

Also, petitions of 400 citizens of Lawrence, 100 citizens of Winchester, and 150 citizens of Reading, all in the State of Massachusetts, favoring national prohibition; to the Committee on the Judiciary.

By Mr. POST: Petitions of sundry citizens of Piqua, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ROBERTS of Nevada: Petitions of 500 men and women of Reno, Nev., favoring Bristow-Mondell constitutional amendment for woman's suffrage; to the Committee on the Judiciary.

By Mr. SCULLY: Petitions of sundry citizens of Middlesex County, N. J., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. SELDOMRIDGE: Petitions of various churches representing 529 citizens of Pueblo, 30 citizens of Steamboat Springs, 100 citizens of Fowler, and sundry citizens of Bayfield, all in the State of Colorado, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Denver Convention Association against national prohibition; to the Committee on the Judiciary.

By Mr. SELLS: Petition of 326 citizens of Tazewell, Tenn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. STAFFORD: Petition of 2,991 voters of the fifth district of Wisconsin, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. STEVENS of Minnesota: Resolution adopted by the St. Paul Turnverein Society, of St. Paul, Minn., urging passage of the Hamill bill, providing pensions for aged employees of the Government; to the Committee on Reform in the Civil Service.

By Mr. TAVENNER: Petition of Joseph L. Haas, president of the Municipal League of Rock Island County, Rock Island, Ill., against national prohibition; to the Committee on the Judiciary.

Also, petition of Victor Roderick, of La Harpe, Ill., favoring Stevens bill (H. R. 13305) relative to standardization of prices; to the Committee on Interstate and Foreign Commerce.

By Mr. WALSH: Petition of 2,839 citizens of the fourth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of Mrs. I. Ernsberger, of Ada, Ohio, and other members of the Woman's Christian Temperance Union, urging the adoption of House joint resolution No. 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of Mrs. Martha McCarty, of Delaware, Ohio, and other members of the Delaware County Woman's Christian Temperance Union, urging the adoption of House joint resolution No. 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of John N. Schirmer, of Cleveland, Ohio, protesting against the adoption of House joint resolution 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of Barney Schleper, of Findlay, Ohio, protesting against the adoption of House joint resolution 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of Joseph A. Schmitt, of Bedford, Ohio, protesting against the adoption of House joint resolution 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of Mrs. M. Hickernell, of Ada, Ohio, and other members of the Women's Home Missionary Society of the First Methodist Episcopal Church, urging the adoption of House joint resolution 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of Emerson Ritter, of Cable, Ohio, representing 40 members of the Mount Carmel Christian Endeavor, urging the adoption of House joint resolution 168, relating to national prohibition; to the Committee on the Judiciary.

By Mr. WINSLOW: Petition of sundry citizens of Massachusetts against national prohibition; to the Committee on the Judiciary.

Also, petition of 3,000 citizens of Worcester, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WOODRUFF: Petition of sundry citizens of Bay City, Mich., against national prohibition; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES.

MONDAY, May 11, 1914.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father in heaven, we thank Thee for the spirit of patriotism which obtains in the hearts of our people, that to-day the tears of a Nation will mingle with the tears of those bereft of their dear ones, who died upholding the honor and dignity of the flag which we cherish as the emblem of all that we hold sacred. The Nation honors itself in honoring its precious dead, and while she thus cares for her defenders she will not want for patriots in peace or in war. Be with, we beseech Thee, the stricken and torn hearts in this hour of sorrow. May they look to a bright beyond, where the true, the brave, self-sacrificing find a glorious reward. Peace be to their ashes, and joy ineffable to their souls as they go marching on, and everlasting praise be Thine. In the name of the Christ. Amen.

The Journal of the proceedings of Saturday last was read and approved.

"YOUR FLAG AND MY FLAG."

Mr. REILLY of Connecticut. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. REILLY of Connecticut. Mr. Speaker, in response to several inquiries as to the authorship, and in order that credit may be given where credit is due, I wish to state that the poem "Your Flag and My Flag," repeated by me during remarks on the Mexican situation on April 20, was written by Wilbur D. Nesbit, a successful writer of Chicago. When Mr. Nesbit wrote the poem he was a member of the staff of the Baltimore American, and it is printed in a volume of his verse entitled "Trail to Boy Land." Several Members have recited the poem at different times, and without credit, I among the number. At the time I gave it I did not know the author. Knowing him now, I hasten to give this belated acknowledgment. [Applause.]

TAXATION IN THE DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of further considering the bill H. R. 12873.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. ADAMS in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the purpose of considering the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes.

The CHAIRMAN. The Chair will state that two weeks ago when the House adjourned a substitute had been offered by the gentleman from Ohio [Mr. CROSSER], which has been read, and it is now open to debate.

Mr. JOHNSON of Kentucky. Mr. Chairman, I have sent an amendment to the substitute to the desk.

The CHAIRMAN. The Clerk will report the amendment to the substitute.

The Clerk read as follows:

Amend the substitute offered by the gentleman from Ohio [Mr. CROSSER] by striking out all of the substitute after the word "That," which first appears therein, and insert in lieu thereof the following: "There is hereby levied and imposed upon all taxable real estate in the District of Columbia an annual tax equal in rate to that which is now or which hereafter may be levied or imposed by Congress upon tangible personal property in the District of Columbia; and the same rate of taxation is hereby levied and imposed upon all intangible personal property in the District of Columbia which would be taxable under existing law were it tangible personal property, including moneys, credits, accounts, shares of stocks, bonds, annuities, and all other evidences of indebtedness. All laws which are now in force or which may hereafter be put in force in the District of Columbia governing or affecting the listing, return, or assessment of tangible personal property and the collection of tax thereon, and the penalties for failure relative to the listing, return, assessment, or collection of taxes relative thereto are hereby made applicable to intangible property. Hereafter all real estate in the District of Columbia shall be assessed annually at its real and true value. However, nothing herein shall be construed as to change the present manner of taxing banks, trust companies, lighting, heating, and street-railway companies, except that all real estate owned by any of said companies shall be assessed annually and taxed as of its real and true value. Neither shall anything herein be so construed as to levy or impose any tax upon shares of the capital stock of any corporation which pays to the District of Columbia the required tax upon all of the property represented by its capital stock, or which corporation pays taxes to the District of Columbia as provided by law upon its earnings or receipts. In addition to the real estate which is now exempted by law from taxation in the District of Columbia there shall also be exempted from taxation every parsonage and rectory owned by a religious congregation or organization while it is used by its pastor, preacher, minister, or rabbi as a residence; and, in addition thereto there shall be exempt from taxation in said District \$500 of the value of each dwelling house occupied by the owner thereof as a residence; and, in lieu of the existing exemption as to personal property, there shall be exempt from taxation \$500 worth of any kind of personal property (tangible or intangible) which any person may own. The word 'person' as used in the next preceding sentence shall not apply to any firm, copartnership, or corporation. All bonds issued either by the United States or by the District of Columbia are hereby exempted from the payment of tax to the District of Columbia. The assessment of real estate shall be commenced not later than the first Monday in November and concluded by the last day of February in each year. The words 'real estate' as herein used in addition to their ordinary meaning shall include any right of way over or right of occupancy of the land of another. The words 'real and true value' as herein used shall be construed to mean the fair cash value of the property, or the equivalent thereof, estimated at the price it would bring at a fair, voluntary sale without regard to conflicting claims of title. Personal property of every description shall be assessed as of the 1st day of July in each year. All real estate in the District of Columbia subject to taxation shall be assessed, and its taxable value and status determined as of the 1st day of January of each year for purposes of taxation for the fiscal year beginning the 1st day of July following. This act shall become effective on July 1 next after its final passage; and all laws or parts of laws inconsistent or in any wise in conflict herewith are hereby repealed to the extent to which they may be inconsistent or in conflict herewith."

sistent or in any wise in conflict herewith are hereby repealed to the extent to which they may be inconsistent or in conflict herewith."

Mr. JOHNSON of Kentucky. Mr. Chairman, the amendment which I have just offered strikes out everything in the substitute which was offered by the gentleman from Ohio [Mr. CROSSER], except the first word thereof, and is intended to take the place of each and every paragraph in the substitute. The amendment is somewhat lengthy, and I believe it will be very well to have an explanation of it. I do not believe that that explanation can be made within the five minutes under which rule we are now operating. I therefore ask unanimous consent that I may proceed for 15 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that he may proceed for 15 minutes. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Chairman, the original bill, as introduced by the gentleman from New York [Mr. GEORGE], was amended in a great many respects by the Committee on the District of Columbia, to which it was referred. The bill as amended was reported to the House and is upon the calendar.

It has been debated two days. At the close of general debate and after the first paragraph had been read, the gentleman from Ohio [Mr. CROSSER] offered a substitute for the entire bill. The amendment which I have just offered strikes out everything of the substitute after the first word and inserts in lieu thereof the matter which has been read at the Clerk's desk.

This amendment to the substitute differs materially from the original bill, and it also differs very materially from the substitute. In the original bill and in the substitute, after considerable study was given to it, it was ascertained that both the original bill and the substitute would have changed the manner of taxing banks, trust companies, street car companies, and so forth. The amendment to the substitute which I have just offered makes no change from the present plan of taxing these institutions. It leaves them taxed just as they are now taxed, with one single exception, that whatever real estate subject to taxation these institutions now own would be subject to taxation under full value instead of the two-thirds value as now.

Under the original George bill, with the amendments put on the bill by the committee, and under the substitute offered by the gentleman from Ohio [Mr. CROSSER], these properties would be taxed according to their ad valorem value, whereas they are now taxed on the basis of their gross receipts. The amendment leaves them taxed on their gross receipts, not on the ad valorem basis, as contemplated by the George bill, and also by the substitute offered by the gentleman from Ohio [Mr. CROSSER].

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. J. M. C. SMITH. Do I understand that the utility companies are taxed on their gross receipts, and in addition thereto are also taxed upon their real estate, and that the tax upon the real estate is not deducted or taken into consideration in the taxation of the companies upon their gross receipts?

Mr. JOHNSON of Kentucky. The gentleman from Michigan understands the situation correctly. The amendment that I have offered leaves that unchanged.

Mr. PAYNE. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Certainly.

Mr. PAYNE. Is there also a tax upon their valuation, and in addition to that a tax upon the gross receipts?

Mr. JOHNSON of Kentucky. As I stated a moment ago, the amendment I have offered does not change the present system in any respect, except where they now pay a tax on real estate at two-thirds of its value, it compels them to pay a tax, like other people, on the full value of the real estate.

Mr. PAYNE. I am not familiar with what the rule is now. What I want to get is, I understand the gentleman's amendment taxes them on the full value of the real estate and on the gross receipts. Is there any valuation put on the property itself, on the capital?

Mr. JOHNSON of Kentucky. No; the tax they pay is on the real estate and on their gross receipts. The amendment I have offered leaves them taxed upon their real estate and upon their gross receipts, just as now, except as said above.

Mr. PAYNE. It does not seem to me that the rule now, or the rule proposed by the gentleman, provides a uniform rule for assessment and taxation on the property of public utilities.

Mr. JOHNSON of Kentucky. It is uniform, perhaps, from this standpoint, that the tax upon their gross receipts is in the nature of a franchise tax. An individual, having no franchise, would have no franchise tax to pay.

Mr. COBLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. JOHNSON of Kentucky. Yes.

Mr. COPLEY. What about the personal property of these utility companies?

Mr. JOHNSON of Kentucky. That is taxed.

Mr. COPLEY. At the present time?

Mr. JOHNSON of Kentucky. That is taxed at the present time under that clause of the law which compels them to pay taxes upon their gross receipts.

Mr. COPLEY. Then the tax on the gross receipts at present covers—

Mr. JOHNSON of Kentucky. Everything except their real estate.

Mr. COPLEY. And the gentleman's proposed amendment provides that they shall pay a tax on 100 per cent of the value of their real estate and shall pay a percentage of their gross receipts, and also that they shall pay a tax on their personal property?

Mr. JOHNSON of Kentucky. Not in addition to their gross receipts.

Mr. ASWELL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. ASWELL. Mr. Chairman, will the gentleman explain how his amendment differs from the Prouty amendment?

Mr. JOHNSON of Kentucky. What is known as the Prouty amendment would tax the public utilities and the banks, the trust companies, just as individuals are taxed. It would tax them upon all their real estate. It would tax them upon all their personal property, both tangible and intangible, and would by implication repeal the law which now taxes them upon their gross receipts. The amendment which I have just offered leaves them taxed as they are now taxed, with the single exception that it adds one-third more to whatever real estate they may own.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. FESS. As I understand, the gross-receipts tax is the same as the franchise tax?

Mr. JOHNSON of Kentucky. The gross-receipts tax is supposed to cover their personal property and also to include a franchise tax.

Mr. PAYNE. What is the rule now in relation to banking institutions?

Mr. JOHNSON of Kentucky. A bank pays 4 per cent on savings and 6 per cent on national bank business.

Mr. IGOE. Mr. Chairman, I would like to ask the gentleman if it is the purpose by this amendment to take care of all the provisions for the taxation of real estate in the District?

Mr. JOHNSON of Kentucky. That is what I announced when I first rose.

Mr. IGOE. Then the gentleman proposes to leave the present assessment system the same as it is?

Mr. JOHNSON of Kentucky. No; this amendment makes an annual assessment, and makes it upon full value.

Mr. IGOE. Does that increase the force of the assessor's office?

Mr. JOHNSON of Kentucky. It does not, and I am informed by the gentleman from Iowa, Judge PROUTY, that he has information from the assessor's office that they do not need an increase.

Mr. J. M. C. SMITH. Will the gentleman please state whether the taxation of banks is a certain per cent upon their capital stock?

Mr. JOHNSON of Kentucky. It is on their gross earnings.

Mr. J. M. C. SMITH. It is quite different from some other cities. And their real estate is taken out of the gross earnings?

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Certainly.

Mr. CROSSER. Do I understand the gentleman to say that the amendment which I offered changes the law in regard to the taxation of public utilities?

Mr. JOHNSON of Kentucky. Yes.

Mr. CROSSER. I would like to have the gentleman point out wherein it does. It was not my intention to do that.

Mr. JOHNSON of Kentucky. I do not think the gentleman can find anything in his substitute which leaves the banks and trust companies and the public utilities to be taxed as they are; but, if his substitute should prevail, then they would be taxed under the general plan. In other words, they might escape a franchise tax altogether.

Mr. CROSSER. Will the gentleman permit me to read from my substitute what I think covers the situation?

Mr. JOHNSON of Kentucky. Certainly.

Mr. CROSSER. I read from page 2, lines 8 to 12:

The tax rate hereafter levied upon tangible personal property now assessable shall be the same as that fixed by the said commissioners to be levied upon real estate as herein provided.

I do not think there is another reference made to any other kind of property.

Mr. JOHNSON of Kentucky. That is the trouble with it.

Mr. CROSSER. We would not be repealing it—

Mr. JOHNSON of Kentucky. Yes; we would be, by implication, and an irresistible implication at that. That would impose a tax on the personal property of the utilities companies and of the financial institutions, and if that were the system of direct taxation for them it might repeal the franchise tax altogether.

Mr. PAYNE. Suppose a man owned shares of stock in a public utility company here in the city of Washington and he resides here and pays taxes here. Are the shares which he owns taxed at their full value as intangible property?

Mr. JOHNSON of Kentucky. The gentleman from New York has anticipated me a little bit, as I have not yet come to that, but I will answer him and say that according to the substitute I have offered, where the public-utility company itself pays the tax the shares of stock in the hands of those who own it do not pay a tax.

Mr. PAYNE. Is that confined simply to public utilities here in the city of Washington? Suppose a man owns stock in public utilities in my town, for instance, where they pay the tax there, is the stockholder also obliged to pay here upon the full value of those shares?

Mr. JOHNSON of Kentucky. This bill is dealing only with property in the District of Columbia.

Mr. COADY. Oh, if the gentleman will permit, I think the gentleman from New York is right. That is the effect of the Johnson-Prouty amendment.

Mr. JOHNSON of Kentucky. I do not disagree with the gentleman [Mr. PAYNE], for he is correct in that assumption; but the answer still is true, that under this bill we are dealing only with property in the District of Columbia.

Mr. PAYNE. I know; but a resident of the District of Columbia may own shares in public utilities in one of the States. Does he pay on that as intangible property?

Mr. JOHNSON of Kentucky. Under this bill he would have to pay.

Mr. COADY. At full city rates.

Mr. PAYNE. Notwithstanding the fact these public utilities paid like taxes in their own locality? It would be double taxation on the property. Suppose I was a resident here, which I hope I never will be, and suppose I own some stock in the public utilities in my own town, which I do not, now I could be assessed for the full value of these shares here, while the public utilities in my own town paid their full taxes upon their full value there.

Mr. JOHNSON of Kentucky. The gentleman is correct about that.

Mr. PAYNE. In other words, so far as that property is concerned, it would have double taxation.

Mr. JOHNSON of Kentucky. The gentleman is correct in his understanding.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PAYNE. Mr. Chairman, I ask that the gentleman have more time, if he desires it. How much more time does the gentleman wish?

Mr. JOHNSON of Kentucky. Fifteen minutes more.

Mr. PAYNE. I ask that the gentleman's time be extended 15 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the time of the gentleman from Kentucky may be extended for 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. COADY. Mr. Chairman, will the gentleman yield to me?

Mr. JOHNSON of Kentucky. Yes.

Mr. COADY. Referring to the question asked by the gentleman from New York [Mr. PAYNE] regarding the taxation of securities held by residents of the District but issued in another State, has not the commission appointed by the governor of the gentleman's State recommended that these securities be taxed about 30 cents on the 100?

Mr. JOHNSON of Kentucky. I believe what the gentleman says is correct, and I will say that the legislature refused to pass it at the last session, which adjourned only a few weeks ago.

Mr. COADY. Is it not also true that the commission reported that there were 200,000 acres of land in the gentleman's State not on the tax books?

Mr. JOHNSON of Kentucky. I do not know whether it does or not, but I would like to see that none of it escapes taxation; but I am no more responsible for the condition that exists there than the gentleman himself. If I were there in the

legislative body, I would endeavor to correct whatever defects there might be in the tax laws of the State.

Mr. COADY. The only reason I asked the gentleman from Kentucky the question was the fact that the gentleman from Iowa [Mr. PROUTY] and the gentleman from Kentucky [Mr. JOHNSON] laid so much stress on the fact that the people of those States are allowed to bear the burdens of the District of Columbia, and I want to show by your own report and from the report of the Iowa commission—

Mr. JOHNSON of Kentucky. Can not the gentleman make his speech in his own time?

Mr. COADY. I will just finish in a moment—that the property in his own State is only assessed about 52 per cent of its true value, and in the State of Kentucky they receive more from the tax on dogs than from the tax on securities, according to their own report.

Mr. JOHNSON of Kentucky. It is the common practice, Mr. Chairman, in the House for some gentleman who is opposed to a proposition, no matter how right it may be in the opinion of other people, to state the defects of his own State as an argument why nothing should be done here. As I have just said, if I were a member of the Kentucky legislative body I should exert myself most actively in the correction of whatever wrongs there may exist in the tax system. As I am not there, but am here, as a member of the committee that deals with the affairs of the District of Columbia I am endeavoring to right some wrongs which exist here, regardless of the fact entirely whether or not those wrongs exist elsewhere; and it is no argument with me, and should not be with the House, that because my native State has not a perfect taxing system that the District of Columbia should not have one.

But in further explanation of the substitute, Mr. Chairman, I desire to say this, that under the amendment which I have offered to the substitute the owner of a home, or, to put it in other words, the householder, is exempt under my amendment from \$500 of its value if he lives in it. In addition \$500 worth of tangible personal property is exempt for everybody. In addition, still, \$500 worth of intangible personal property is exempt for everybody. In other words, the small householder is protected to the extent of having an exemption from taxation of \$500 in the value of that house. In addition to that, all other people have an exemption from taxation to the extent of \$500 of tangible property, and then, to meet the argument which has been made here that the man who has his small savings deposited in a savings bank should have some exemption from taxation, he, too, in the amendment which I have offered, has been given an exemption to the extent of \$500, the same as other people have been given. I am informed by the gentleman from Iowa [Mr. PROUTY] that he has information directly from the assessor's office, given him since this bill was amended in any wise, to the effect that all provisions made here for the assessment of property were entirely too much.

Those are the main differences between this amendment and all that goes before it, so that if it is adopted real estate will be assessed, or should be assessed, at its full value. The dollar and a half rate would obtain to the real estate and tangible and intangible personal property alike. The financial institutions and public utilities would be left taxed just as they are now, with a single exception that I have twice stated before—they would pay one-third more, or, rather, their real estate would be assessed at three-thirds instead of at two-thirds, as now. I have fully explained the difference between the amendment that I have offered and that which is now before the committee.

Mr. OGLESBY. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. OGLESBY. Is the rate now 15 cents—the present rate?

Mr. JOHNSON of Kentucky. The present rate on real estate is two-thirds of the \$1.50 a hundred.

Mr. OGLESBY. The gentleman means the assessment is supposed to be two-thirds of its value?

Mr. JOHNSON of Kentucky. It is supposed to be, but, as a matter of fact, it is not, but—

Mr. OGLESBY. The rate is fixed arbitrarily at 15 cents?

Mr. JOHNSON of Kentucky. By Congress; yes. Now, Mr. Chairman, if I may be indulged a few more minutes. There has grown into all this discussion, and you can not keep it out, the question as to whether or not real estate in the District of Columbia is properly assessed and taxed.

I have before me a clipping from the Evening Star of last Friday, May 8. In that I notice this language:

The first proposition has as its foundation the H. J. Browne guess of 1912 that there were \$744,000,000 of taxable realty values in Washington in that year, estimated on the full valuation basis as "full valuation" is understood throughout the United States in the assessments of its cities.

I also find further in that newspaper clipping:

The George taxation report of 1912 alleges that "real property in the District of Columbia is assessed \$414,000,000 below its true value, the true value being \$744,000,000, while the assessment is only \$330,000,000."

Two years ago the District Committee made a report in what is known as the George report, and in that report it is stated that the real, true value of the real estate in the District of Columbia is \$744,000,000. Upon that statement the local newspapers have thrown a fit every time it is mentioned, and the statement that real estate is undervalued for assessment purposes \$414,000,000 has been hooted at as being a most ridiculous and preposterous one.

I happen to have in my hand a little pamphlet or brochure entitled "Story of the Heights." It deals with Massachusetts Avenue Heights, and on page 23 of that statement, issued by the Thomas J. Fisher Real Estate Co., is this wonderful statement:

Real estate—the basis of all solid wealth—offers a wonderful profit in Washington. It never can shrink in value unless the Nation shrinks. It is not like stocks and bonds and other securities. In 1903, according to Moody's Magazine, the stocks of this country dropped \$3,000,000,000; in 1907 they shrank \$7,000,000,000; in 1910 (last year) they went off \$950,000,000.

Now, will you please listen to this statement:

During the past 30 years, according to the Manufacturers' Record, of Baltimore, the value of Washington real estate never halted, but increased from \$200,000,000 to \$1,210,000,000.

We must take it for granted that every statement made in this pamphlet is true. It is issued by the Thomas J. Fisher Real Estate Co., as I have said, and its president but little more than a year ago was one of those who brought to the attention of the Commissioners of the District of Columbia the assertion that a local insurance company was issuing literature to the public which was not exactly accurate in every particular. I therefore take it for granted that the president of this institution, who raised that question with the Commissioners of the District of Columbia and caused an exhaustive examination to be made, is not going to permit to go out from his company a statement like that unless it be literally true.

Mr. FESS. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I will.

Mr. FESS. Not to a question pertaining to that, but I want to get at your bill.

Mr. JOHNSON of Kentucky. I will come to it directly, if you will indulge me just a moment.

Mr. FESS. I am afraid the time will be up.

Mr. JOHNSON of Kentucky. This pamphlet, or brochure, which I have, Mr. Chairman, is quite an interesting document. On page 6 is a picture not of the residence or of the house but of the "mansion" of Senator George S. Nixon, of Nevada. Upon the other side, on page 7, we have the picture of the mansion of United States Senator Francis G. Newlands, of Nevada, adjoining these heights. Upon the next page we have the mansion of Mr. Charles C. Glover, president of the Riggs National Bank. On the next page we have a picture of the handsome mansion of "Mr. John R. McLean, of Cincinnati." Over on page 11 we have the picture of the extensive grounds and the mansion of Charles J. Bell, president of the American Security & Trust Co. Then on page 12 we find this language:

On the north side of Massachusetts Avenue and adjoining the heights on the northwest are the grounds of the Protestant Episcopal schools.

That is offered as an inducement for people to buy property out there, no doubt, but they fail to say that there never has been a student in that institution and there is not now.

Then, I find on page 13 of this very interesting little document this language:

Sheridan Circle—

That is the place out here on Massachusetts Avenue where they have a statue of Gen. Sheridan on a horse that looks as if he were dying with a sudden attack of the bots—

Sheridan Circle is the social center of Washington and Washington is the social center of the Nation. The truth of both statements is well known. Scores of successful Americans, whose individual fortunes range from ten to one hundred millions of dollars, within the last five years have built mansions along Massachusetts Avenue and around its newest and most attractive circle. And they still are coming; the flow hardly has begun.

In its issue of January 29, 1911, the New York Times in a Washington dispatch headed, "Is Washington cornering our multimillionaires? Remarkable growth of a colony whose wealthy recruits come from all parts of the country to the Nation's Capital," said:

"The pioneers of the millionaire colony here were the late Thomas F. Walsh, John R. McLean, the Letters, and Mrs. A. C. Barney. In the building up of Sheridan Circle as the real social center of Washington much is due to Mrs. Barney, who built her beautiful studio house there—an art marvel. Now the entire circle is marked by an imposing row of marble mansions. Around Sheridan Circle the bonanza kings have spread their palace tents—the Hennen Jenningses, the Norman Williamsses, and others."

The panoramic view given in this booklet shows Sheridan Circle in its rare residential beauty with the heights close by, toward which homes of equal magnificence are building. Soon the block or two of intervening space will fill with contemplated mansions for which most of it already has been bought at prices five times greater than will be asked at the start for more elevated and better sites on the heights. There the kings of wealth soon must raise their modern palaces and proceed along the royal avenue of their desire. Owing to this pressure for sites to the northwest the District of Columbia Commissioners on January 25, 1911, commenced the necessary condemnation proceedings to open Massachusetts Avenue its full width to the District line, more than 2 miles beyond Massachusetts Avenue Heights.

Coming to page 19, Mr. Chairman, I find this:

Many great fortunes have been made in the rise of its real estate by its citizens and a few outside investors familiar with its marvelous jumps in value due to the city's steady acquisition of the country's men of colossal fortunes and the very limited area available for their magnificent and rival homes.

The fortunes of the people who already have sought rest in a life of elegance and ease in the city by the Potomac are conservatively estimated at one thousand millions of dollars. And more came last year than ever before.

From "The Hub" have come the Larz Andersons, the Weekes, and others. Among the New Yorkers are the John Hays Hammonds, the Perry Belmonts, the Robert Roosevelts, the Duryeas, the George W. Vanderbilts, and the Oliver Cromwells; from Chicago have come the Leiters, the Pullmans, the Munns, Mrs. Robert Hitt, Mrs. Potter Palmer, and Mrs. Marshall Field; from Cleveland the William J. Boardmans; from Pittsburgh, George F. Westinghouse; from Colorado the Thomas F. Walshes; from Pennsylvania the Scott Townsends; from West Virginia the Stephen B. Elkinses, and dozens of others to swell the host of multimillionaires who for the most part have built their Aladdinlike homes along Massachusetts Avenue.

Another type of Washington millionaire constantly increasing in number is the Representative and senatorial millionaire who after a term in Washington rarely leaves it. They, too, have magnificent homes and are lavish entertainers. Of this type are Senator DU PONT, of Delaware; Senators NIXON and NEWLANDS, of Nevada; and almost the whole roll call of the upper House. The Senator ranks next to the Cabinet officer and often is socially more important. Cabinet officers, judges, higher Government officials, and members of the diplomatic corps are also home builders in Washington, Franklin MacVeagh, Secretary of the Treasury, being the most recent addition to this class, having just completed his palatial residence.

Now, Mr. Chairman—

Mr. PAYNE. May I ask the gentleman if that is an advertising circular of some real-estate boomer?

Mr. JOHNSON of Kentucky. That is an advertising circular of a real-estate corporation whose president rose in your midst a little over a year ago and said nothing else than that no advertising schemes shall go forth from the city of Washington unless they are absolutely true.

Mr. PAYNE. And the gentleman brings that in as evidence of the value of an official report here?

Mr. JOHNSON of Kentucky. I bring in here a statement from a paper published in Baltimore, which I think is an authority upon the subject, which says that in the last 30 years the values of real estate in Washington have increased from \$200,000,000 to \$1,200,000,000. We have that statement here, where the findings of a committee, to the effect that the real-estate values of Washington amount only to \$744,000,000, are impugned and attacked because it happens to be about \$400,000,000 more than the assessment list shows.

Mr. Chairman, I have here a map issued by this same real-estate company showing the Massachusetts Heights section and the prices attached. The assessment here shows that those properties are assessed for one-fourth and one-sixth, even, of what is asked for this land that is shown upon this map.

Mr. J. M. C. SMITH. Mr. Chairman, will the gentleman yield there for a question?

The CHAIRMAN. Does the gentleman from Kentucky yield to the gentleman from Michigan?

Mr. JOHNSON of Kentucky. Yes.

Mr. J. M. C. SMITH. Does the gentleman conclude or believe that the value of real estate has increased in proportion to a larger or greater extent than the value of personal property, from the reading of the names from the pamphlet he has just read?

Mr. JOHNSON of Kentucky. Intangible property here is not taxed at all. I have no way of knowing what it is; neither has anybody else.

Mr. J. M. C. SMITH. But the names are given.

Mr. JOHNSON of Kentucky. The names are given, and the statement that is made, that the wealth of these people varies from \$10,000,000 to \$100,000,000 each, carries with it, I think, the irresistible conclusion that their intangible property is not taxed.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Kentucky yield to the gentleman from New York?

Mr. JOHNSON of Kentucky. Yes.

Mr. PLATT. Could not every one of them avoid payment of the personal tax here by claiming residence in New York or elsewhere?

Mr. JOHNSON of Kentucky. That is not a question for us to determine. One of the parties mentioned in this paper said, in a speech down here not long ago, that every Member of Congress was so ignorant that he did not know the difference between a cantilever and a pons asinorum. That may be true. But there is one thing I believe they do know. They do know a "jackassinorum" every time they hear him bray, even though he be a millionaire.

As I said, Mr. Chairman, in the few minutes left me I want to discuss one other proposition, and that is the taxing of intangible property, or, in other words, securities.

Whenever we have "a hearing" relative to the school-teachers no man there has ever heard the masculine gender mentioned in that committee room. Everybody who appears before the committee on the part of the schools speaks of the "poor school marm," the female teachers of the schools. You would never suspect that there is a man in the whole school system. Just as soon as this bill or any other bill of a similar character comes before the House for consideration, then you begin to hear of "the poor widow."

Let me invite your attention to the very anomalous situation that is now staring us in the face. Here are Members of the House, here are members of the District Committee, who take this peculiar and, to me, inexplicable position that all intangible property should escape taxation because, perchance, some poor widow might be overtaxed or because somebody with his or her little savings in a savings bank would, under the original bill, be taxed. Bear in mind I have already fixed an exemption to the extent of \$500 in favor of this class. But only a few days ago there came before the committee a man by the name of George Horning, who is the "king bee" of all the loan sharks in the District of Columbia, who stated before that committee that he had \$250,000 loaned out to small borrowers at 36 per cent a year. There were men—and they will appear in a little while upon the floor of this House—urging an increase in the rate of interest for that man, and to-day they are here asking that that man who has \$250,000 loaned out at a rate of interest which brings him in return an annual compensation for his money greater than the President's salary ought at least to pay some taxation upon the collateral which he holds. I say, in my opinion, that position is indefensible. To ask in one breath that this man's already extortionate rate of interest may be increased and to demand in the next that he shall escape taxation entirely upon that \$250,000 is too much for my conscience.

Mr. FESS. I wanted to ask whether your plan is to make the valuation 100 per cent on real estate?

Mr. JOHNSON of Kentucky. It is.

Mr. FESS. And then do you fix the rate?

Mr. JOHNSON of Kentucky. The rate is left as it is fixed now by law, \$1.50 a hundred.

Mr. FESS. And you fix that arbitrarily?

Mr. JOHNSON of Kentucky. Yes.

Mr. FESS. And does the Government pay any tax upon the property it owns here?

Mr. JOHNSON of Kentucky. It does not, and I do not know of any place where it does. The gentleman is glad to have in his town, as I am to have in mine, a Government building, and to have it there without taxation.

Mr. FESS. And what provision, if any, is there in your bill for the Government to give any support to the District of Columbia?

Mr. JOHNSON of Kentucky. There is no provision in my bill to give any support, for the very good reason that my proposition has nothing in it which takes away from the Federal Government the support that it is now giving.

Mr. FESS. Does it not in reality repeal the organic law?

Mr. JOHNSON of Kentucky. The gentleman has gotten that from the local press. It does not repeal it in anywise, and it does not deal with it, or touch it in the remotest way. My amendment seeks simply to tax property which now escapes taxation.

Mr. FESS. That is why I am asking you. I want to know the facts about this.

Mr. JOHNSON of Kentucky. I insist, as the gentleman from Iowa [Mr. PROUTY] has insisted well and ably, that the people in the District of Columbia ought to pay a reasonable rate of taxation. They are now paying less than is paid in cities of like size in all this country. I insist, as the gentleman from Iowa has insisted, that property here should bear a reasonable rate of taxation. I would rather see it too small than to see it too large. Then, when they have gathered in their receipts from that taxation, let the amount be what it will, whatever they fall short of actual needs the Federal Government ought to supplement to that extent.

Mr. FESS. And if it does not fall short at all the Federal Government will be released. Is that the idea?

Mr. JOHNSON of Kentucky. That is a matter to be dealt with in the future. This proposition stands upon the one bottom, that these people here ought to pay a reasonable rate of taxation upon their property, regardless of what the consequences may be, regardless of whether it requires the Federal Government to pay or not to pay.

Mr. FESS. Another question: Did you make any different arrangement as to the political status of the citizen of this District, or did you leave him under the present law?

Mr. JOHNSON of Kentucky. This is a matter relating wholly and entirely to taxation. I have said here numerous times, and I repeat it, that I would like to see the shackles of bondage struck from every man in the District of Columbia and see him given the full right of citizenship that every other American has and ought to have.

Mr. FESS. That is where we differ.

Mr. JOHNSON of Kentucky. I have said repeatedly that I wish to see these people here have their own officials, elected by themselves, raise their own money, and spend it just as they see fit to spend it. I do not wish to see them asking for bread and be given a stone, as the result would be if they were simply given a Delegate in this House. I want them to have real, true, and genuine representation. I want to see them given the vote, just as you and I have it in our respective States. I will never be satisfied with the situation here until they have been set free. No matter what any man says to the contrary, they have been sold into bondage simply in order that the Federal Treasury may be looted for the benefit of "the few" and not for the masses of the people in the District of Columbia.

Let us see whether or not real estate in the District of Columbia is overtaxed or whether, as I have said, it is undertaxed.

I have here a list of 40 cities in the United States. Opposite the name of each city I will put its rate of taxation, beginning with the city which has the smallest rate, and go on down the list, naming the cities in order as the rate of taxation increases, as follows:

Washington, on the \$100	\$1.00
Philadelphia, on the \$100	1.50
St. Louis, on the \$100	1.51
Pittsburgh, on the \$100	1.53
Cincinnati, on the \$100	1.56
Bridgeport, on the \$100	1.56
Chicago, on the \$100	1.71
Boston, on the \$100	1.72
New Orleans, on the \$100	1.72
Milwaukee, on the \$100	1.76
St. Paul, on the \$100	1.76
Minneapolis, on the \$100	1.79
Lawrence, on the \$100	1.80
New York, on the \$100	1.82
Springfield, on the \$100	1.82
Brooklyn, on the \$100	1.85
Cleveland, on the \$100	1.88
New Haven, on the \$100	1.90
Rochester, on the \$100	1.93
Lowell, on the \$100	1.94
Lincoln, Nebr., on the \$100	1.97
Baltimore, on the \$100	1.98
Detroit, on the \$100	1.99
Camden, on the \$100	2.00
Syracuse, on the \$100	2.00
Trenton, on the \$100	2.00
Lynn, Mass., on the \$100	2.00
New Bedford, on the \$100	2.02
Newark, on the \$100	2.02
Fall River, on the \$100	2.03
Cambridge, on the \$100	2.04
Providence, on the \$100	2.05
Jersey City, on the \$100	2.12
Grand Rapids, on the \$100	2.14
Tacoma, on the \$100	2.17
Utica, on the \$100	2.20
Des Moines, on the \$100	2.22
Buffalo, on the \$100	2.29
Charleston, S. C., on the \$100	2.50

And yet, after a showing of that kind, which places Washington as the least taxed of them all, there come those here to-day and defend Washington's millionaires from paying tax on their wealth.

The general average paid by the 40 cities which I have just named is \$1.90 on each \$100 worth of property, yet Washington complains of being overtaxed, when she pays only a dollar on the hundred.

It costs to run the whole government of the State of Kentucky only about seven and a half millions of dollars. It costs nearly twice that much money to run the government of the District of Columbia, which is no larger than the smallest county in Kentucky. Yet the people of the District of Columbia want more money. However, they object to paying a reasonable rate of taxation. They want the people of Kentucky additionally taxed and the money sent here.

Mr. Chairman, let me express the hope that my amendment will be adopted, and, in consequence, the millions and millions which now go untaxed in this city may pay a just proportion of the burden of government.

Mr. IGOE. Mr. Chairman, the gentleman from Kentucky [Mr. JOHNSON] offers an amendment to the substitute of the gentleman from Ohio [Mr. CROSSER]. This very amendment that he offers now demonstrates very clearly to me, and I think to the House, that the majority of the Committee on the District of Columbia acted wisely in submitting the substitute which the gentleman from Ohio [Mr. CROSSER] presented here to the House.

This bill grew out of an investigation made in the last Congress by a special committee of this House, and in a report that was submitted to this House, signed first of all by the gentleman from Kentucky [Mr. JOHNSON], these recommendations were made:

First, annual in place of triennial assessments.

That provision is incorporated in the Johnson-Prouty bill, it is incorporated in the Crosser substitute, and it is incorporated in the amendment now submitted by the gentleman from Kentucky [Mr. JOHNSON].

The next proposition—and it is the one upon which we differ in the committee—is this: The repeal of the fixed assessment rate of 1½ per cent, leaving the rate to be fixed annually by the requirements of the budget. That proposition is not incorporated in the Johnson-Prouty bill, but it is incorporated in the Crosser substitute, and it is not incorporated in the amendment now submitted by the gentleman from Kentucky [Mr. JOHNSON].

The next proposition is the requiring of the true consideration in all real-estate transfers. That provision has been met by a bill which recently passed this House.

The fourth proposition is the substitution of 12 field assessors for 3 assistant assessors now on the field work. That proposition is taken care of in the Johnson-Prouty bill. It is taken care of in the Crosser substitute; but it is absolutely ignored in the amendment which the gentleman from Kentucky [Mr. JOHNSON] now offers upon the floor of this House. He says that the assessor now proclaims that he has enough help. But, Mr. Chairman, in the report of the committee headed by the gentleman from Kentucky [Mr. JOHNSON] is the statement that the assessor, the man who is now the assessor, insisted that he must have at least 10 men to do the work. The committee has provided 12 men.

The fifth proposition is the abolition of the requirement for the assessors in the field personally and jointly to view each piece of property. That provision, so far as I can find, is not in the substitute now offered by the gentleman from Kentucky [Mr. JOHNSON]. It is in the Johnson-Prouty bill and it is in the Crosser substitute.

The next proposition is a very important one, that power be restored to the commissioners to remove the assessor or any of the assistant assessors for cause. In the investigation made by that committee in the last Congress, and in investigations made by the committee in this Congress, the crying evil was that the assessor and the assistant assessor could not be removed except with charges preferred, I believe, and sustained in the courts; and while one of the assessors was removed for cause by the commissioners, that case is now pending in the courts. And yet there is nothing, so far as I can see, in this amendment offered by the gentleman from Kentucky [Mr. JOHNSON] which meets that proposition; but it is taken care of in the Johnson-Prouty bill and in the Crosser substitute.

Mr. Chairman, I am in favor of the Crosser substitute. I believe that is the bill we ought to pass. There is no difference between the members of the committee upon the general propositions involved, but the difference and the dispute came in section 2 of the Johnson-Prouty bill, which is the majority bill. The minority of the committee believe that the tax rate should not be fixed at any particular definite rate, but that it should be fixed by the commissioners according to the needs of the District. The majority undertook to fix a rate of 1½ per cent, no matter what sum may be raised, no matter what may be the needs of the District.

Further than that, the minority of the committee believes that this bill was intended originally to provide an effective system for the assessment of real estate. That was the purpose of the bill, and that was the purpose of the committee in drafting the bill in the first instance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. IGOE. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. IGOE. Yes.

Mr. McLAUGHLIN. Has your committee considered the advisability of assessing real estate and tangible personal property and intangible personal property credits by a different plan?

Mr. IGOE. I was coming to that proposition, if the gentleman will pardon me. I will say that I am in favor of the taxation of personal property, but I am undecided how far we should go. Originally I thought we could tax it all and tax it at the same rate, but on thinking it over further and getting into the subject, I found that the further I got into it the less I knew about it. I realize that there has been no investigation made by any committee of the House on the subject of the taxation of personal property in the District of Columbia.

While I am on it, let me call attention to the amendment offered by the gentleman from Kentucky and say that if I had my choice between the original Johnson-Prouty bill and this amendment I would choose the original bill because, in my judgment, this is a makeshift. It does not meet or correct the evils that we want to meet and correct.

Now, the gentleman says that the Crosser substitute would leave the banks and trust companies and utility companies free of taxation. That I deny. The only provision relating to personal-property taxation in the substitute offered by the gentleman from Ohio [Mr. Crosser] is this:

The tax rate hereafter levied upon tangible personal property, now assessable, shall be the same as that fixed by the said commissioners to be levied upon real estate as herein provided.

Under the present law national banks, incorporated banks, trust companies, gas companies, electric lighting and telephone companies, on gross earnings and their real estate, pay as follows: Banks and trust companies, 6 per cent; gas companies, 5 per cent; electric lighting and telephone companies, 4 per cent; street railway companies, 4 per cent; insurance companies, 1½ per cent; building associations, 2 per cent; the Washington Market Co., 4 per cent on its gross earnings.

I would like to ask the gentleman from Kentucky where, in his amendment, he takes care of the tax paid by insurance companies? In his amendment he says "nothing herein shall be deemed to change the present methods of taxing banks, lighting companies, street railway companies," and there he ends. We have a provision in the law for the taxing of title and real-estate bonding companies and savings banks having no capital, 1½ per cent on surplus and undivided profits; Washington Market Co., 4 per cent on gross earnings. Perhaps the gentleman would like to grant an exemption to some of these companies so that they will not be overburdened. We know, however, that he does not want to do that. The whole trouble is, gentlemen, the subject of personal-property taxation and taxation of the gross receipts of the different companies has not been gone into, and there is no man on the floor of this House who has information enough to enable him to go into the matter fully at this time and bring in a bill that is fair, just, and equitable.

Mr. COOPER. Will the gentleman yield?

Mr. IGOE. Yes.

Mr. COOPER. Does the gentleman know about the accuracy of the valuation of the District real estate put in the Prouty report at \$744,000,000?

Mr. IGOE. The gentleman from Iowa took the figures from the report of the committee appointed by the last Congress. From all the information I have I think the information is correct. I take them to be correct. The investigation was made very carefully, and they had to go on the testimony of experts who were residents of the District of Columbia. I assume that that item is correct. That, however, does not include the Government property nor the District property. I think the total is something like \$1,200,000,000.

Mr. COOPER. My attention has been called to the fact that St. Louis, with a population of 750,000, is larger in area than the entire District of Columbia, and has products and manufactures valued at \$468,000,000.

Mr. IGOE. Yes; we have a great city.

Mr. COOPER. Washington has a population of about 330,000. Now, there is very little, if any, manufacturing in Washington, and yet the real estate in St. Louis is valued on a 60 per cent basis at \$441,854,000, only \$111,000,000 more than the District on a 60 per cent basis. How is it that in St. Louis, with 750,000 population and with all of these manufactures, real estate is valued at \$441,000,000?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COOPER. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. IGOE. I will say to the gentleman that I have no first-hand information as to the District of Columbia and have had nothing to do with the assessment of property in St. Louis.

Mr. COOPER. The same facts are essentially true, according to statements I have seen, of the cities of Baltimore, Detroit, and Minneapolis, much larger cities than the city of Washington.

Mr. IGOE. I do not know anything about the real-estate values in the different cities. It is true about Washington that the public buildings here and the magnificent structures that have been erected greatly increase the value of property. Of course the purpose of this bill—that is, of the Crosser substitute, which I believe should be adopted—is to get the real, true assessment of real estate, whether it is a billion or a hundred million.

Mr. COOPER. Is it the gentleman's idea that great factories, bringing great revenue to their owners, as they do in Detroit, would be less valuable than property held for residential purposes?

Mr. IGOE. I will say to the gentleman that I am not a real-estate expert, and do not know very much about it.

Mr. JOHNSON of Kentucky. I would like to ask the gentleman if he does not think that the location of factories in the midst of a good residential district would depreciate the value of the real estate rather than to enhance its value?

Mr. BUCHANAN of Illinois. Is it not a fact that real estate owned by manufacturing companies is exempt from taxation?

Mr. IGOE. They are not in my city; I do not know what they are in others.

Mr. COOPER. In reply to the question of the gentleman from Kentucky, it is proper to say that great manufacturing plants are not situated in residential districts; manufactories are usually by themselves.

Mr. JOHNSON of Kentucky. Yes; and the truth of it is I have no doubt the residential portion of a town will move away from a factory just as fast as the factory is located.

Mr. COOPER. Yes; but the sum total of the value of the real estate would include the value of these vast manufacturing plants, together with the residences of the employers and those of the employees.

Mr. JOHNSON of Kentucky. I will say to the gentleman that if there were more of these millionaires of whom I have just read, locating and building these great mansions and big estates, real estate would increase in value very much faster than if it were a manufacturing city.

Mr. IGOE. Mr. Chairman, there has been a great deal of time taken up in the discussion of this bill, and about 90 per cent of it relates to things not embodied in the bill and with which it has nothing to do. What we want to put upon the books is a law that will provide a just and equitable assessment system. In order to be fair and just and equitable to all of the real-estate owners here we must have an efficient system. The Crosser substitute follows the recommendations of the committee appointed by this House in the last Congress, signed by the gentleman from Kentucky [Mr. JOHNSON], whose name leads all the rest, and it seems to me that this bill which the gentleman from Ohio offers as a substitute should be adopted.

A great deal has been said about the half-and-half plan, about how much money will be raised under the Johnson-Prouty amendment and under the Crosser amendment. I wish to say to the gentlemen of this House that I do not believe this is the bill upon which we should legislate in regard to abolishing the half-and-half plan or modifying it. This assessment system which is provided and the system for fixing the tax rate leaves that matter as it is to-day. The Appropriations Committee of this House passes upon the needs of the District, and that committee will determine how much the Government will contribute. That committee has the power now, through appropriation bills, to refuse to appropriate the one-half which the Government has been in the habit of giving to the District, but when the appropriation estimates come in, if the committee decides that the District must pay \$7,000,000, then, under the bill offered by the gentleman from Ohio [Mr. Crosser], the commissioners can fix that amount and raise that amount of money.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. IGOE. Certainly.

Mr. FESS. This substitute is looking to a modification of that relationship, is it not?

Mr. IGOE. The substitute does not touch upon that at all, but it does provide a system whereby if Congress subsequently repeals the half-and-half system and says the Government will pay one-fourth or one-tenth, or nothing, this system will be effective at that time, just as much so as it would under the half-and-half plan.

Mr. FESS. Would the Government probably repeal the half-and-half plan unless this substitute makes it unnecessary to continue?

Mr. IGOE. Mr. Chairman, I will say to the gentleman that I do not know. Personally, I do not believe in the half-and-half plan, but I have not been able to hit upon a substitute for it yet. I voted for a bill to repeal the half-and-half plan.

Mr. FESS. What I am interested in is this: Before we make any radical change, where we have not definite knowledge, it seems to me we ought to have a little further investigation than we have had.

Mr. IGOE. The gentleman is speaking now of repealing the half-and-half plan?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. IGOE. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. IGOE. Under the Crosser substitute, if the half-and-half plan operates, the commissioners will fix the rate to raise the amount of money that Congress says the District must raise. If Congress says the District must raise it all, then you have a bill under which it all may be raised, if the District has to do it. Something has been said about the commissioners having too much power.

Mr. FESS. Is this bill intended to reach the place where Congress could say the District can not have this money?

Mr. IGOE. The Crosser bill simply provides as perfect a system of assessment and taxation as we can devise, and that is the main purpose of it.

Mr. FESS. Without taking into consideration what the Government ought to do?

Mr. IGOE. Without taking into consideration what the Government ought to do; but no matter what the Government does, the money can be raised under the Crosser substitute.

Mr. JOHNSON of Kentucky. Also without taking into consideration at all the question of intangible personal property.

Mr. IGOE. Mr. Chairman, I want to say to the gentleman from Kentucky and to the Members of this House that it took probably two years to investigate the question of real-estate assessments in the District, and the Johnson-Prouty amendment was supposed to solve it all; and now comes another amendment to take its place, supposedly even more perfect than it, and yet it is full of holes. There has not been sufficient consideration given to the question of personal-property assessment to incorporate it in this bill, and it should not be incorporated.

Mr. METZ. Mr. Chairman, will the gentleman yield?

Mr. IGOE. Yes.

Mr. METZ. I do not know the system of raising money, whether you appropriate before you raise and spend or raise first and then spend?

Mr. IGOE. Under the present system the rate is fixed now.

Mr. METZ. Fixed upon the basis of appropriations, what you are going to spend?

Mr. IGOE. No; at the present time the rate is \$1.50, and it is assessed on two-thirds of the value of the real estate.

Mr. METZ. And the gentleman wants to get it to 100 per cent?

Mr. IGOE. Yes; but we want to repeal the $1\frac{1}{2}$ provision, so that the commissioners can fix the rate to meet the needs of the District.

Mr. METZ. The point I am getting at is this: Take the intangible property. The personal-property tax is a farce throughout the country wherever it is in force.

Mr. IGOE. I will say to the gentleman that in the substitute which the gentleman from Ohio [Mr. Crosser] offers we leave personal-property taxation just as it is now, to be taken care of otherwise at some future time.

Mr. METZ. But I say the personal-property tax is a farce. Personal property is assessed in the city of New York. We make up a budget of our requirements for the year, and then we have an assessment, including personal property, for taxation, exempting, of course, the city property, the Federal property, and the charitable institutions and churches, as is done here; but whenever the assessment on personal property is fixed, it is usually fixed from the blue book, according to the kind of a street a man lives on.

My coachman may be assessed for \$10,000, and he is tickled to death to think that he has so much credit. He does not pay two cents, and he does not swear off the assessment, so it remains an asset to the city, even though it is uncollectible. The city of New York at one time had \$14,000,000 absolutely uncol-

lectible personal taxes. They spend the money and then can not collect it. You do the same thing here, and how are you going to get back the money which you do not collect on the personal assessments? Where does it come from?

Mr. IGOE. The gentleman asked a question which was so long I believe I can not answer it.

Mr. METZ. Does not the gentleman think that would be the effect here?

Mr. IGOE. I hope the Crosser substitute will be adopted, and that we may have an efficient and full assessment in the city of Washington.

Mr. COADY. Mr. Chairman, four weeks ago, District day, I discussed this bill and at some length this Johnson-Prouty amendment, and there is very little now I can add to what I said at that time without repeating myself. However, the distinguished chairman of the committee this morning, in referring to some objections to that amendment made by myself and others some time ago, said that some of the cases that were cited were extreme cases, notably the case of a young man or young woman who by dint of hard work and economy saved a few dollars and put them in a savings bank. I said then that those people would be compelled to yield up to the District Government one-half of the savings they derive from the investment of their funds. The gentleman says that is an extreme case. Two weeks ago when we were discussing this question I was called out into the lobby and another of these extreme cases was pointed out to me. I was told a few days ago there was a man in the Government employ, a hard-working, industrious, and economical man, who had saved \$10,000. He was a widower with one young boy. He died, and before his death he made a will, directing that this money be deposited in a savings bank in the city of Washington and the income from this \$10,000 be devoted to the maintenance, education, and support of this young child. Now, under the provisions of this amendment here this young man who is now being maintained, educated, and supported from this fund derived from the \$10,000 will have that income cut in two, and I believe, Mr. Chairman, he will not only have it cut in two, but when he yields to the District government one-half of that income he will be compelled also under this bill to yield up again one-half of the remaining half, because under the provisions of this amendment savings-bank deposits are assessed and taxed at the full city rate, and then there is an additional tax put on an annuity. In other words, the bank to protect itself would pay this \$1.50 out of the \$3, and this young man to whom the balance of the \$1.50 on each hundred was paid would be compelled to yield up 75 cents of that to the District government. In other words, instead of getting \$300 he would only get \$75, and be compelled to pay the District of Columbia \$225 out of the \$300 which he receives.

Mr. MANN. Will the gentleman yield for a question?

Mr. COADY. Certainly.

Mr. MANN. What was the theory of the committee in leaving him this \$75?

Mr. COADY. I am surprised it even left him that. Now, Mr. Chairman—

Mr. JOHNSON of Kentucky. If the gentleman will permit me right there—

Mr. COADY. Certainly.

Mr. JOHNSON of Kentucky. I might suggest if his estate is being managed on the same basis that a very large estate in the District of Columbia which is now in court is being managed, the committee, three of them, have in the last few years paid to themselves \$100,000 for their own services.

Mr. COADY. That is aside from the question. I do not think the gentleman could have followed me, because I said the will provided that the money should be deposited in a savings bank in the District of Columbia and the income paid for the maintenance, education, and support of this young man. This is an entirely different case from that cited by the gentleman from Kentucky. Now, I have here reports from quite a number of States where commissions were appointed to investigate questions of this character, and uniformly all those commissions have reported a low tax rate on securities, varying from 30 to 40 cents. I have here a copy of a report of the United States Commissioner of Corporations on the success of the low tax rate. He says:

During the 12-year period (1898-1910) the percentages of increase in assessments for three States were as follows: Pennsylvania, 95 per cent; Connecticut, 89 per cent; Maryland (for Baltimore only), 161 per cent. The percentages of increase of revenue during the same period were: Pennsylvania, 95 per cent; Connecticut, 76 per cent; and Maryland (for Baltimore), 152 per cent. Looking only at the results attained in Baltimore (those for the whole State not being available), the low uniform-rate method of taxing intangible personality may be regarded as having worked more successfully in Maryland than in Pennsylvania and Connecticut, notwithstanding the higher Maryland rate.

Now, Mr. Chairman, these reports all show in States that have a tax rate like that in the State of Kentucky and in the State of Ohio the assessed value of intangible personal property has decreased from year to year, and, as I stated this morning, in the great State of Kentucky they get more revenue from the tax on dogs than they do from the tax on securities. I would like—

Mr. JOHNSON of Kentucky. The District of Columbia also gets more tax on dogs than on intangible personal property.

Mr. COADY. Well, intangible personal property, as the gentleman well knows, is not now taxable in the District of Columbia.

Mr. JOHNSON of Kentucky. If two and a half millions of people raise more tax on dogs than 350,000 people, it is pretty good evidence—

Mr. COADY. I am in favor of putting a fair rate on intangibles, not a confiscatory rate that would drive such property out of the District and would prevent you from getting it. Such has been the experience of every State in the Union that has tried to tax tangible personal property at the full rate.

Mr. JOHNSON of Kentucky. What feature of any of these propositions is the gentleman supporting which taxes intangible property?

Mr. COADY. I am in favor of taxing intangible personal property in the District at about 30 cents on the hundred. That is a fair rate, I think.

Mr. JOHNSON of Kentucky. With reference to any measure that is before this House proposing that kind of tax on intangible property, which measure is the gentleman supporting?

Mr. COADY. I will say to the gentleman that I have an amendment prepared. I do not know what the parliamentary status of this bill will be later on; but, if I have an opportunity at the proper time, I will offer an amendment putting a tax of 30 cents on intangible property. You are taxing the same species of property under your amendment three and, in many cases, four times.

Prof. Bullock, who is professor of economics at Harvard University, and who has made a thorough study of this system of taxing intangible property at a low rate, says in his treatise on *The Taxation of Intangible Property*:

If you will examine what has been written concerning the shortcomings of the tax on personal property in the United States, you will observe that the writers are dealing with a tax that is levied at a uniform rate upon all property, a rate which, in order to meet the increasing cost of local government—

The CHAIRMAN (Mr. RAUCH). The time of the gentleman has expired.

Mr. COADY. I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent for five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. COADY. I will continue—

a rate which, in order to meet the increasing cost of local government, has risen to an average of about \$20 per \$1,000 of the assessed capital value of the property. In some localities the rate falls to \$10 per \$1,000, or even less; but in many it rises to \$30 per \$1,000, and in not a few cases reaches such figures as \$40 or \$50. Now, the average rate of \$20 per \$1,000 of the capital value is equivalent to 40 per cent of the income from property that yields the investor 5 per cent interest, and safe investments do not show a higher average yield. When the tax rate rises to \$30 or \$40 it approaches the point of practical confiscation. No government that ever existed could collect such an exorbitant tax on any property that can possibly evade assessment either in whole or in part, and it is not surprising that our American States have been unable to do so. No sane man among us dreams of paying such a tax on his money, credits, or securities; and in most cases no law can long compel him to do so. The failure of our States to secure a full assessment of intangible wealth proves merely that it is impossible to collect from this class of property a tax so unreasonable and exorbitant as to be virtually uncollectible.

Now, without reading all these various reports, I will say that they treat this question in the same manner, and all make recommendations along the same line, namely, that in order to get at this property, in order to get at this great amount of intangible wealth, you must tax it at a fair rate, and most of them have held that a fair rate is about 30 cents on the hundred.

Mr. FESS. Will the gentleman yield?

Mr. COADY. Yes.

Mr. FESS. What assurance have you that if you had a lower rate on the securities it would come from its hiding any more than now?

Mr. COADY. Nothing except the experience in the States that have tried it—Maryland, Pennsylvania, and Connecticut. I pointed out to the gentleman a week ago how in Baltimore city alone we had increased taxable intangible property about 150 or 175 per cent in 10 or 12 years.

Mr. FESS. Do you attribute the statement you made about Kentucky to the defective system of taxation there?

Mr. COADY. I attribute it to the fact that they tax intangibles at too high a rate, and in consequence they do not get it. The people of Kentucky do not turn them in.

Mr. JOHNSON of Kentucky. I will say to the gentleman there that we have a number of citizens here, any one of whom has more intangible property than all the people in Kentucky put together.

Mr. COADY. I am in favor of taxing these citizens. The gentleman knows that is my position, but I am not in favor of putting a confiscatory tax rate on them, and I am not in favor of driving men out of the District or making liars and perjurers of them. That has been the experience of every city that has undertaken to tax intangibles at full State and county rates.

Mr. MAPES. Mr. Chairman, the question pending before the House at the time of adjournment two weeks ago—the last District day—was the substitute offered by the gentleman from Ohio [Mr. CROSSER] for the so-called George bill, which was reported by the majority of the Committee on the District of Columbia. This substitute, with the exception of a provision providing for a flexible rate of taxation on the personal-property assessment, as well as on the real property, according to the needs of the budget, is substantially the same as the original bill introduced by Mr. GEORGE before it was amended in the committee. The House therefore is now confronted with practically the same proposition that was before the Committee on the District of Columbia.

Under the existing law real estate within the District of Columbia is assessed only once in three years, and then at not to exceed two-thirds of its true value. Intangible personal property is not assessed at all, and there is exempt from taxation on the tangible personal property, first, libraries, schoolbooks, wearing apparel, articles of personal adornment, all family portraits, and heirlooms; second, household and other belongings to the value of \$1,000.

The rate of taxation on the personal and real property as assessed is fixed at 1½ per cent. This has been the fixed rate since the passage of the organic act in 1878.

The expenses of the District government are paid one-half by the people of the District from revenues raised within the District and one-half is taken out of the Federal Treasury. The one-half of the expenses of the District government paid by the District is made up of license fees, certain specific taxes, and the taxes from the real and personal property assessment at the fixed rate of 1½ per cent.

It will be recalled that a subcommittee of the Committee on the District of Columbia, of which the gentleman from New York [Mr. GEORGE], the author of this bill, was chairman during the last Congress, made an exhaustive investigation into the real-estate assessments in the District. That subcommittee reported that, as a matter of fact, the real estate within the District was only assessed at 44 per cent of its value, instead of two-thirds as required by law. They found that while the taxable real estate within the District was assessed for only \$330,000,000, that it was really worth \$744,000,000. Taking that report as the basis of our calculations, a little mathematical deduction will show that with real estate assessed at only 44 per cent of its true value, with the tax rate fixed at 1½ per cent upon that assessment, the owners of real estate within the District of Columbia are paying, under the existing law, only 6.6 mills on a dollar on the true value of their real estate. In addition, they are only paying 15 mills on a dollar upon their tangible personal property, with an extremely liberal exemption on that, and with all stocks, bonds, moneys, and other intangible personal property escaping taxation altogether.

Those of you who think that this is a fair rate of taxation, as compared with the rate in other cities, are justified in voting for the substitute offered by the gentleman from Ohio and against the bill reported by a majority of the committee. You should, however, clearly understand the question before doing so. The substitute does not change the total amount to be raised within the District of Columbia. It does not change the existing law which requires the District to raise only one-half of the revenues to pay the expenses of the District government. It does not change the personal-property assessment. It differs from the existing law only in requiring an annual assessment on real estate instead of a triennial one; that such assessment shall be at its true value; and that the rate of taxation shall be fixed by the District Commissioners according to the requirements of the budget. It does not require any more money to be raised within the District than at present.

Mr. OGLESBY. Mr. Chairman, will the gentleman yield?

Mr. COADY. Certainly.

Mr. OGLESBY. I would like to ask the gentleman how much he thinks the citizens here ought to pay before going outside to get help?

Mr. MAPES. I think, if the gentleman please, that a tax rate of 1½ per cent on the full value of all taxable property in a city with the advantages of the city of Washington, the Capital City of this great Nation, is not too much, and for that reason I am supporting the bill that was reported by the majority of the committee. After the citizens of the District of Columbia pay a fair tax rate on the true value of their property, then I would be in favor, and I think every Member of this House would be in favor, of the Government contributing whatever is necessary to maintain a great National Capital.

Mr. OGLESBY. Why should the people throughout the country pay anything if it is to meet the expenses that the people here ought to meet?

Mr. MAPES. I will attempt to answer the question. I do not say that the people here ought to meet the entire expenses of the District government. I think, as I believe every other citizen of this country thinks, that the National Capital should be maintained on a standard perhaps that the citizens of the District of Columbia can not afford; but that is no reason why the citizens of the District of Columbia should escape taxation and should not be required to pay somewhere near the same amount that the people in other places pay who do not have the same advantages.

Mr. OGLESBY. Does the gentleman know what proportion of the property in the District is owned by the National Government?

Mr. MAPES. Approximately, yes.

Mr. OGLESBY. How much?

Mr. MAPES. About one-third of it.

Mr. OGLESBY. Is there any reason, then, why the Federal Government should not pay a third of the expenses of maintaining the District government?

Mr. MAPES. One-third is not one-half. We are paying one-half now.

Mr. JOHNSON of Kentucky. Mr. Chairman, if the gentleman will permit an interruption there, I may say that it was stated by the gentleman from Iowa [Mr. PROUTY] two weeks ago, and upon good authority, that the Federal Government owns in the District of Columbia 123 acres which it is now using for governmental purposes.

Mr. MAPES. Mr. Chairman, I can not yield further; my time is limited. I want to call attention particularly to the difference between the committee bill and the substitute offered by the gentleman from Ohio [Mr. CROSSER]. His substitute does not change the total amount to be raised in the District. It does not change the existing law which requires the District to raise only one-half of the revenue. It does not change the personal-property assessment. It differs from the present system only by requiring an annual assessment instead of a triennial one, and that the assessment shall be at its true value, and that the rate shall be fixed by the District Commissioners according to the requirements of the budget. The committee bill requires all property, both real and personal, tangible and intangible, to be assessed annually and at its true value. It leaves the rate at 15 mills on a dollar as at present. Surely no one can justly complain of paying that amount on the full value of his property in a city like Washington with its unusual advantages.

Mr. IGOE. May I ask the gentleman a question?

Mr. MAPES. Certainly.

Mr. IGOE. Under the substitute bill, if Congress should say that the District must raise all of its funds, can not the money be raised? Have not the commissioners the power to fix the rates so that the funds can be raised?

Mr. MAPES. That is true.

Mr. IGOE. Should not that be the purpose of this bill, to fix, first, an assessment system, and then allow the commissioners to fix the rate according to the needs of the District, whether the Government contributes anything or not?

Mr. MAPES. I think, perhaps, that the principal difference between the gentleman from Missouri and myself is on the starting point on this proposition. He believes, I think, that we will arrive at a fair proportion of what the Government should pay and what the District should raise by attacking the existing system, the way the substitute goes at it. For myself I believe we will arrive at that fair proportion sooner if we bring up the assessment to its true value and keep the tax rate of 1½ per cent, and by demonstrating beyond a doubt, as I think we will, that the rate of 1½ per cent on a true valuation will raise enough to take care of two-thirds or three-fourths of all of the expenses of the District of Columbia, so that the Federal Government will not be obliged to contribute anywhere near one-half. Now, I can not yield any further.

Mr. IGOE. But if we are going to raise the money arbitrarily, should not the commissioners have something to say about the rate?

Mr. MAPES. There has been an attempt in some quarters to becloud the issue raised by the bill by calling attention to the pride which everyone has for the National Capital, and arguing that it should be maintained on a larger and better scale than the residents of the District alone can afford, and that the National Government should contribute to its expenses. I am sure there is no Member of this House who would not have the Federal Government contribute to the support of the District government and the upkeep of the beautiful parks and boulevards within the District to whatever extent is necessary after the property and citizens of the District have paid a fair amount of taxes as compared with other cities of the country, but that is no reason why the property and the citizens of the District should not be required to pay their fair share of taxation. When the property within the District is subject to a tax rate which equals or approaches the rate paid in the other cities of the country, then there would be some force to that contention.

The gentleman from Iowa [Mr. PROUTY] has shown that the average amount paid in the cities throughout the country is 19 mills, based on a full valuation assessment, while in the District of Columbia at present it is only 10 mills, based on the present assessment, which is generally admitted to be very low, and which the George report says is only 44 per cent of its value.

In my home city of Grand Rapids, Mich., it is 21.4 mills on the dollar—more than double the amount paid in the District. In addition to the payment of 21.4 mills on the dollar for their local taxes, city, county, and State, the residents of the city of Grand Rapids are compelled to contribute their proportion of the one-half of the expense of the District government paid out of the Federal Treasury, although enjoying no direct benefits from that government. The amount that the citizens of the State of Michigan as a whole contribute toward the expenses of the District government, based upon the population of the State as compared to the population of the entire country, is \$186,356, no insignificant sum.

Why should the citizens of Grand Rapids and other cities be obliged to contribute to the expenses of the District government until the citizens of the District pay somewhere near the amount paid by the citizens of Grand Rapids and of other cities to take care of their respective local governments? The citizens of the District get all the benefit of the beautiful parks, boulevards, public buildings, museums, art galleries, zoological park, schools, libraries, and so forth, of the city of Washington and of the District, while the people who reside outside of the city of Washington and the District of Columbia get no direct benefit from them whatever.

The District appropriation bill, as it passed the House, carried an appropriation for \$11,436,150.49. Under the half-and-half plan the District would raise one-half of that amount, or \$5,718,075.25. For the purpose of reducing these figures to round numbers let us say that the District's share of the annual appropriation is \$6,000,000. The amount now raised within the District from licenses, specific taxes, and tangible personal property assessment, and so forth, is \$2,187,000. This would leave a little less than \$4,000,000 to be raised from the real-estate assessment. The real-estate assessment this year shows that the true value of the real estate within the District, according to the assessors, is \$570,000,000. On this basis, if we pass this substitute, the real property in the District will pay a tax only of a trifle over 7 mills on the dollar of its true value as appraised by the assessors, and on the basis of the George report it will pay a tax of only 5.3 mills on the dollar of its true valuation.

The bill which a majority of the committee have reported merely provides for an annual assessment of real estate at its true value and for an assessment of intangible as well as tangible personal property. It does not attempt to change the rate of taxation, but leaves it as it is under existing law, at 1½ per cent. If it becomes a law, the property within the District will only pay a tax of 15 mills on a dollar, which is very much less than is paid in the average American city.

We believe that all property should be assessed. We believe that no one can rightly complain, and that it is eminently fair to the residents and citizens of the District of Columbia to ask them to contribute a tax rate of 1½ per cent on the value of their property before they ask the people of your district and mine, who pay a greater tax than this, to contribute to the expenses of the District government, from which they derive no personal benefit whatever.

There are many people of great wealth residing in Washington who have taken up their residence here because of the many advantages which the city affords. Some of them may have been influenced to select this as their permanent domicile on account of the liberal tax laws, for which Congress is responsible. This class are abundantly able to pay their fair share of taxation, but under the system in vogue at present of exempting all intangible property, such as stocks, bonds, moneys, and so forth, they pay very little taxes in proportion to their wealth. Those of you who wish to make this a retreat for the rich to escape taxation are justified in voting for the substitute, but those of you who believe that all property, whether in the District of Columbia or elsewhere, should pay its fair share of taxation should vote for the bill reported by the majority of the committee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PLATT. Mr. Chairman—

The CHAIRMAN. The Chair has agreed to recognize the gentleman from Illinois [Mr. GORMAN], who is a member of the committee.

Mr. JOHNSON of Kentucky. Mr. Chairman, I make the same request, that I may revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MANN rose.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, I do not expect to throw much light on this situation nor to take very long. First, we had the George bill, I believe, in the last Congress. Then we had a George bill introduced in this Congress. The committee reported that bill with certain amendments, so that it amounted practically to a substitute for the George bill. Then we had, when the first section of that substitute bill was read, the Crosser substitute, a substitute for the two propositions. Now we have the amendment of the gentleman from Kentucky [Mr. JOHNSON], which is another substitute for the entire proposition.

It is "going some" when you have four propositions presented to you, each as a substitute for the one which preceded it; and apparently only a few gentlemen in the House know very much about it. I am one of those who do not pretend to know a great deal about it; but so far as I have gathered from listening to the debate, all of these propositions depend upon an assumption to begin with, that the figures of a Mr. Brown in reference to the actual valuation of real estate in the District of Columbia are taken to be true. I assume that Mr. Brown is one of those distinguished gentlemen who are able to juggle with figures.

I remember, when I was a young lawyer, being sent one time to interview a man who was probably at that time the most noted expert on handwriting in the city of Chicago. I took two specimens of handwriting to him—two signatures. One side claimed that the same man had signed them, and the other side claimed he had not. This expert was not a man who came to your office; you had to go to his house to get a chance to see him. Having arranged an interview, I went to see him and laid the two signatures before him and asked him whether those two signatures were signed by the same person. He retired to another room, examined the signatures under a microscope, and in various other ways, and came back still undecided. I had not told him which side of the case I was on. Making some inquiry as to whether there was any corroborative proof, I finally indicated that I thought there was corroborative proof upon the side I was on, indicating that I thought the signatures were signed by the same man; and very promptly this distinguished expert was able to tell, then, that they were signed by the same individual. Well, that is much like Mr. Brown's figures. Mr. Brown starts out to prove a case. If he had been endeavoring to prove that the valuation of real estate in Washington was too large, he would have proved it with the same figures, the same information that he had before him. Yet this distinguished committee accepts as genuine and as a certain fact the opinion of a professional expert as to the real value of real estate in the city of Washington in the face of the sworn performance of duty by the District assessors.

I know enough about real-estate valuation in the city of Washington and elsewhere to feel quite competent to put my judgment up against Mr. Brown's, and I believe that, on the present valuation by the District assessors in the District of Columbia, District real estate is valued higher in proportion

to its actual value than real estate is valued in any other city in this country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. I ask unanimous consent for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MANN. Here is a residence city which has some valuable retail-store property, but practically no wholesale-store property, and not engaged in the wholesale business to any great extent. Yet on the figures which are submitted here by the District assessors, in my judgment, on the property in the District of Columbia, without manufacturing and without wholesale business, and without taking into consideration the principal business of Washington, which is Government business, they make a valuation here higher than it is in any other city of the same size in the United States.

Now, the tax rate here is supposed to be 1 per cent on the actual value. I remember, as a boy and since, reading how at one time it was supposed that you paid tithes of taxes, 10 per cent of the increase; and yet we have got to that point now where in our day, when we are supposed to cut off a great many of the extravagances of the past, we now levy taxes amounting to 20 per cent of the increase, assuming the increase to be 5 per cent on the capitalization. When it is less than that the rate of taxes is higher. Of course, where the income is greater the taxes are lower. One per cent taxes annually on the actual value of property is enough for anybody to pay properly, and I doubt whether any of the cities which are upon the chart before us, where a higher rate of taxation prevails theoretically, are in fact really paying more than 1 per cent on the actual value, anywhere in the country. Of course, if you manufacture the actual value yourself, it is easy to say that the rate of taxation is higher.

I can remember in my town years ago when the assessed valuation in the portion of the community where I lived was 10 per cent of the supposed valuation, and even the "actual valuation" was not more than one-half or one-third of the real valuation. People thought their taxes were high then. So, Mr. Chairman, I think the people of Washington pay high enough taxes now. All of these theories that they ought to increase the taxation here are based upon an assumed state of facts which, in my judgment, does not exist. I am content with the present method—by which the Government pays one-half of the expenses in the District of Columbia and the people of the District pay the other half. I have no desire to cut off or destroy the method of municipal government here by which we maintain streets in better condition on the average than they are maintained in any other city in the country, by which we keep them cleaner than they are kept in any other city of the country; by which we have a better garbage-collection service than they have in any other city in the country; by which we maintain street signs that can be easily seen and read, which is not true of any other city in the country that I have ever visited. We conduct a better government here than is conducted in any other city in the country. Perhaps one reason of that is that we do not have quite as many problems growing out of a large wholesale and manufacturing business. I am willing, and I believe that the people of the country are willing, to contribute one-half to the payment of the expenses of the maintenance of this city.

At one time, when I lived in a house in Washington, I paid taxes on personal property, though I did not think I was obliged to. I doubt whether many of the Members of Congress who come here and live in homes do pay taxes on their personal property. According to the theory of my friend from Iowa [Mr. PROUTY], if they do, they have no right to vote on this proposition. If they do not, they are defrauding the District of Columbia, because a man who comes here and maintains a house and keeps his furniture here and pays taxes on it at home instead of here is not acting fairly to the rest of the people in the District of Columbia. So that a man who is in a house here is in a very bad position. According to my friend from Iowa [Mr. PROUTY], he has no right to take part in the discussion or vote upon this proposition because he pays taxes here; and if he does not pay taxes, he is defrauding the people of the District of Columbia.

Mr. PROUTY. Will the gentleman yield for a correction?

Mr. MANN. Certainly; I always yield.

Mr. PROUTY. The gentleman is misquoting me. I have never discussed that phase of the question at all.

Mr. MANN. If I had not heard the gentleman discuss it, I would not have said anything; but I am perfectly willing to take the gentleman's statement.

Mr. PROUTY. My speech is in the Record, and the gentleman ought to be able to verify my statement.

Mr. MANN. If the gentleman takes exception to it—and I am glad he sees even now that his proposition was a foolish one—I will put it off on some other gentleman. A number of them have made the claim.

Now, I do not pay any taxes in the District of Columbia; do not own any property here. I suppose I am permitted to express an opinion. I notice some figures posted up here, and this is about the way this information is obtained: Present District appropriation bill, House, \$11,436,000; Senate, \$13,137,000; average, \$12,286,000; one-half of this, \$6,143,000. Then it goes on and makes a computation of the amount of money necessary to be raised to pay this, as though that was the entire appropriation for the District of Columbia. The distinguished gentleman, whoever he is—and I do not know who presented this chart—does not even know, with all of his study of the subject, that all of the appropriations for the District of Columbia are not contained in the District of Columbia appropriation bill.

You would have supposed that the gentleman, whoever he was, knew before he prepared these figures that a portion of the appropriations for carrying on the District, payable partly by the District and partly by the United States, are carried in the general deficiency and the sundry civil bills. We even make the District pay half of the care of the Washington Monument grounds. I suppose that some gentlemen think the Washington Monument grounds are purely a local affair, and hence ought to be paid wholly by the District of Columbia. That is one of the items that we make the District pay half of. We make the District pay half the cost of the construction of sidewalks on Executive Avenue and on the south side of the Treasury Building in the recent appropriation law, not carried in the District appropriation bill. We put a good many burdens on the District of Columbia. We make them pay half the expense of buying the fancy animals that we maintain at the Zoo, which would not be maintained in Washington except that it is one of the arms of the National Government for the purpose of education and instruction.

But some gentlemen would say that is maintained wholly for the benefit of the local people and that they ought to pay for it. We put a good many burdens on the District. We keep down salaries—and properly so, in my judgment—of people who work for the Government. We keep out of the manufacturing business if we can; we prevent the District becoming a wholesale center as far as we have the power. We want to maintain a beautiful city, so that we may show it to our constituents and feel proud of it.

Who is there here who has not gone around the city of Washington with his constituents and bragged—yes, bragged—upon the beauty of Washington? If there be one so little that he has not done that, he is too little for me to address. [Laughter and applause.]

I am proud of the Capital of the country, proud of the way it is maintained, proud of the Government here, proud of the Government buildings and Government business here, proud of our streets and parks and avenues, proud of all that is carried on in the District of Columbia, and quite willing that we should continue to contribute toward its support, in spite of the professional figures of Mr. Brown, whoever he may be. [Applause.]

Mr. McLAUGHLIN. Mr. Chairman, I approve of much of what the gentleman from Maryland [Mr. Coady] said about the unwisdom of this act by which it is proposed to tax real estate, tangible property, and intangible personal property all by the same plan and at the same rate. I agree with what he said, that that is unscientific and antiquated, and that every effort to carry out such a law meets with disappointment and dismal failure. It is easy for us to say that the owners of large wealth, personal property, consisting of money, mortgages, bonds, and other kinds of credits, should contribute in taxes to the support of the community in which the owners live. It is easy to work up a feeling when discussing that phase of the question, but my experience leads me to the opinion that every time an effort is made to assess money, mortgages, and credits of whatever kind by the same plan that real estate and tangible property is assessed and impose the same rate upon both there is a failure of justice, an inequality, and a hardship is imposed not only upon the owners of the intangible property but upon those who would seek to get the benefit of it by borrowing; that is, the debtor class.

Every effort to assess money and credits drives that kind of property out of the district where the attempt is made. Rates of interest are increased and the burden falls upon the borrowers.

There is another form in which there is injustice to the owner of the credit. We are told here that under the law real estate and tangible personal property are to be assessed at their full value—one hundred cents on the dollar—and that money and all kinds of credits are to be assessed in the same way, at full value.

Now, see how these two kinds of property will actually be assessed. The assessor looks at a piece of real estate reasonably worth \$10,000, and in his mind he believes it is worth \$10,000, but by a process of reasoning satisfactory to himself he reaches the figure of \$5,000 or \$6,000, and puts that amount upon the assessment roll as the amount at which that piece of property shall pay taxes. And in some way he justifies the figure; at least he makes it stand. But here is a credit, money in the bank, \$10,000. The assessor knows it is there, the owner of it must disclose it, and when the assessing officer comes to put a value on it for taxing purposes he can by no process of reasoning say it is worth only \$5,000 or \$6,000; he must assess it as the law requires, at full value, \$10,000.

That is the way in which this law is actually carried out. I have seen it done in years of my experience, and money pays usually twice the rate that tangible property or real estate pays.

Some will say, Why legislate in favor of money? Why assess money, as the gentleman from Maryland suggests, at a specific rate of three-tenths of a cent on a dollar while you assess real estate at one cent and a half on the dollar? We legislate against money. We do not let money as a credit earn more than 5 or 6 per cent; otherwise it is usury. Then why not give money or credits some benefit or advantage, especially if justice is thereby produced and if borrowers will be benefited even more than the owners of the money? I insist that justice to the people who would borrow money as well as justice to those who lend it—consideration of the entire proposition—requires that there should be a different method of assessment of the two kinds of property. Experience has shown that they do not work well together. [Applause.]

Mr. PLATT. Mr. Chairman, if the Congress of the United States passes this bill providing for the taxation of intangible personal property at the same rate as real estate, it will take a step backward, a step away from the policy of the most enlightened States, a step in opposition to the best economic thought of the world. The local taxation of intangible personal property, as a part of the old general property tax, has everywhere broken down, and has broken down because it ought to break down. The most enlightened States have taken steps to abolish it. The State of Washington has abolished taxation of instruments of credit. Shall the city of Washington be behind the State of Washington?

Gentlemen have said that millionaires move to the District of Columbia to escape the taxation of intangible personal property. From what States? Certainly not from the State of Washington and certainly not from the great empire State of New York, which has more millionaires residing in it than any other State or any group of States of similar area; more, in fact, than in all the Western and Southern States combined. We do not tax intangible personal property locally in New York State except in rare instances, and most of it is either exempt by law, as municipal and State bonds, or taxed at a low specific rate by the State and exempted from local assessment.

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. PLATT. Yes.

Mr. J. M. C. SMITH. Will the gentleman please give the reason why you do not tax intangible property in New York?

Mr. PLATT. We do not tax intangible property in New York State, because the efforts to tax it have been a failure and because it is unfair and unjust. In place of local taxation of intangible property we have put a small specific tax on most of it. Mortgages pay one-half of 1 per cent at the time of the record, and that is for all time, or as long as they run. Bonds are exempt if based upon New York State mortgages which have paid the recording tax. If based upon outside mortgages, the bonds are exempted upon payment of a similar registration tax—that is, one-half of 1 per cent.

It is perfectly evident if that were not the case that nearly all of the bonds that are sold in the bond market would be sold on a nontaxable basis; that is, at lower prices. Nobody in his senses would pay par for a 4 per cent bond and have a local tax rate of 2 per cent taken out of it, the bond yielding him only 2 per cent. We have been selling and buying these things for years upon the basis that they would be free from taxation in the great markets of the State of New York, and in nearly all other markets, and yet gentlemen say they ought to be taxed. When we do tax them, the tax comes out of the borrowers every time.

There is another instrument of credit that I think is still nominally taxable in the State of New York, and that is a note. If you borrow a thousand dollars of me, I have your note, and you have the thousand dollars. Nominally, I think, a note of that kind is still taxable, if no security is given, as the law applies to secured debt. Of course they never are taxed except occasionally when they are in the hands of some widow or orphan where an estate has gone through the probate court and has to be made public. If they were taxed, it would simply raise the rate of interest that much. The whole thing is absolutely unfair. Stocks in corporations of the State of New York are not taxed, and that means that practically no stocks are taxed, except rarely; and they ought not to be. If you and I are in partnership and have a business worth \$100,000, we will say, our property is perfectly evident to everybody. Here is our plant and our machinery, and we are making so much money. Suppose we incorporate it and issue \$100,000 worth of stock. Have we created any more property? Is there anything more to tax than there was before? Intangible personal property is either evidence of debt or evidence of divided ownership. And there is no just reason for taxing it at all. If it is taxed at all, it should be taxed at a small specific rate or reached through the income tax.

Mr. GORMAN. Mr. Chairman, the discussion of the bill that was introduced by Mr. GEORGE, and the amendment that is proposed by Judge PROUTY, and the Crosser substitute, and the Johnson amendment, and the half-and-half plan, and the various other topics that we have discussed here, I think has resulted in developing confusion in the minds of some of the Members as to just what this controversy is about. The Sixty-second Congress, having before it some matters pertaining to assessment and taxation in the District of Columbia, appointed a committee to investigate and inquire into that subject. As a result of a very careful, painstaking investigation, that committee reported back a method by which, in the judgment of the committee, real estate in the District of Columbia could be justly and equitably taxed. The bill that was presented to this House, known as the George bill, was based upon and is a crystallization of that investigation. There was no investigation made nor any attempt to investigate, made at that time and, so far as I know, before or since then by that House or any other, and certainly not by this, into the subject of assessment and taxation of personal property. The George bill provides that all real estate in the District of Columbia shall be assessed at its full value. Upon that all of the members of the District Committee and, I take it for granted, all of the Members of this House are agreed. The George bill made no attempt to deal with the subject of the taxation or assessment of personal property. The gentleman from Iowa, Judge PROUTY, proposed an amendment to the George bill providing that personal property, both tangible and intangible, should be assessed at the same rate at which real estate is to be assessed. It has been stated here in this House that those who voted against the Prouty amendment in committee are opposed to the assessment and taxation of stocks and bonds. I want to say now, so that the Record will disclose it, that I am not opposed to the assessment and taxation of stocks and bonds, but I am in favor of an investigation and study of the subject of assessment and taxation of tangible and intangible personal property that will enable this House to act upon that subject just as intelligently as this House is now enabled to act upon the subject of the assessment and taxation of real estate, as the result of the George investigation. [Applause.]

The amendment that was submitted here to-day by the gentleman from Kentucky [Mr. JOHNSON] is submitted at the last minute, during the closing hours of this debate, without the Members of the House having had any opportunity to study and analyze it, and if it is better than either the original George bill or the George bill with the Prouty amendment added to it, I would still be opposed to it, because, in my judgment, it is not wise that this body should act hastily upon any matter of any consequence, particularly a matter as important as the taxation of people who have no representation in this body.

I believe that the people of the United States ought to contribute something to the maintenance of the National Capital. I would be ashamed to feel or know that the people of the District of Columbia were maintaining the National Government here in Washington at their expense and that the people of my district and the people throughout the country were not contributing anything toward the support and maintenance of the National Capital. The Government of the United States did not come here and locate its Capital in the District of Columbia at the request of the people of this District. The Government located its Capital here and then invited the people to come here and help make this one of the most beautiful cities in the world, and I believe that the people who have come here at

the invitation of the Government of the United States to help make this a beautiful city should have the assistance of those who live throughout the country in maintaining the Capital of the Nation in a style becoming to the Capital of our Republic. The people of the United States should pay something to the support of the Nation's Capital. Whether it should be one-half or one-quarter or one-third I do not know. I am inclined to think that payment by the people of the United States of one-half of the expense of maintaining the government of the District of Columbia is more than the people ought to pay, but until we have arrived at some definite conclusion as to what would be just and fair for the people to pay I am in favor of maintaining the existing system, by virtue of which the people of the United States pay one-half.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GORMAN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GORMAN. Mr. Chairman, I believe that the Congress ought to appoint a committee to investigate, or to delegate to some standing committee of the House the duty of investigating and inquiring into the subject of taxation of personal property, both tangible and intangible, so that as the result of such an investigation this Congress can act intelligently upon the subject of taxation of that kind.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. GORMAN. Yes.

Mr. BORLAND. Did the gentleman notice in the press reports a few days ago that a man named C. W. Post, of Battle Creek, Mich., had committed suicide, and that he was a legal resident of the District of Columbia?

Mr. GORMAN. I did read that the gentleman had committed suicide, but I did not read that he was a resident of the District of Columbia.

Mr. BORLAND. The gentleman did not observe that?

Mr. GORMAN. No.

Mr. BORLAND. Well, that was carried in a newspaper statement, that Mr. Post was a legal resident of the District of Columbia, and that probably will be verified in the settlement of his estate. Now, do you apprehend that his being a legal resident of the District of Columbia had anything to do with the amount he paid in personal taxes?

Mr. MANN. Does the gentleman say Mr. Post was a legal resident?

Mr. BORLAND. I say that was carried in the newspaper statement.

Mr. MANN. Yet the gentleman is proceeding to base a lot more argument on that statement, which is—

Mr. BORLAND. Has the gentleman any further information?

Mr. MANN. That that statement is not true.

Mr. GORMAN. Mr. Chairman, I decline to yield further.

Mr. COOPER. Will the gentleman permit me just one word?

Mr. GORMAN. Yes.

Mr. COOPER. Did not the statement which the gentleman from Missouri [Mr. BORLAND] saw state that Mr. Post simply owned a house? A man might own a house and yet not be a resident, and I doubt very much whether he was a resident, because I think he voted in the State of Michigan.

Mr. GORMAN. Mr. Chairman, I decline to yield further. I yielded for a question only.

Mr. BORLAND. That is not what I saw at all.

Mr. GORMAN. Mr. Chairman, on the matter of taxing intangible personal property, I find myself in the position that I was in when I came to this House and the tariff bill was under discussion. Without having given any thought to the subject, or, rather, any study, I supposed diamonds ought to be taxed as high as the traffic would bear. I was in favor of imposing a tax on diamonds so high that there would not be any more of them imported. I thought it was good doctrine—that people who could afford to wear diamonds ought to pay well for the support of the Government. They are luxuries, nobody wears them except as a luxury, but I learned on investigation that the experience of the Treasury Department was to the effect that if the taxation on diamonds was above a certain percentage that they derived no revenue whatever out of the importation of diamonds, and the Government was under an enormous expense in hunting down those who were smuggling diamonds into the country. This suggested to my mind that the purpose of all taxation measures is to raise revenue, and if you legislate in such a way as to drive intangible property under cover you will not raise revenue, but you will force men to become perjurers. Now, the question has been asked here, At what point in the rate of percentages will men cease to be honest?

I do not know at what point men will cease to be honest in that regard, but I believe that a man who has a security which represents property already taxed, and believes that he is being taxed upon that security to an extent that it does not pay him to carry it, you will drive that man to conceal his property, and I would rather that the Congress of the United States would so legislate with reference to intangible personal property as to bring it out from under cover and let it be taxed for something, even though the rate assessed may not be as much as, in the judgment of Congress, it ought to be. But if we do so legislate we can raise more revenue and relieve the burden of taxation upon those who have property that can not be concealed, and you will be doing some good for the people who have that kind of property which can not be concealed and upon which the burden of taxation falls heaviest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. Mr. Chairman, something has been said here in regard to the accuracy of newspaper reports about affairs in the District of Columbia. On last District day, when this bill was under discussion, I referred to a newspaper article of the sale of a piece of real estate in the District of Columbia. Immediately thereafter I received a letter from the agent who made the sale and who particularly requested that I give publicity to the statement which he made. I send to the desk the letter of the agent and my reply and his reply to that.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

WASHINGTON, D. C., April 29, 1914.

Hon. W. B. BORLAND,
House of Representatives, City.

DEAR SIR: As a lifelong militant Democrat I dislike to see Members of Congress of my own party fall into the error of using newspaper articles as a basis for an argument and to accept such articles as fact.

You have unfortunately fallen into this error in your speech in the House touching the question of taxation in the District of Columbia and using the article in the Washington Post purporting to give a correct account of the history of property known as 1335 E Street NW., which I recently contracted to sell to Mr. Munsey.

The facts involved in this transaction are not known to anyone outside of the parties immediately concerned, and the only exact statement of fact in the Post article was that a contract had been closed for the sale of the property to Mr. Munsey.

I have personally had charge of this property for nearly 20 years, and the property was not purchased by the present owner, as stated in the newspaper article, 40 years ago, but was inherited from her father and has been in possession of the same ownership for more than 70 years. During my entire control and management of this property, as the agent for the owner, it has never been offered for sale. So that the statement that a financier declined to purchase same five years ago for \$35,000 is manufactured out of whole cloth, as is the statement that the owner purchased the property 40 years ago for \$1,000. Absolutely untrue, for the reason that she inherited the property from her father, who acquired same when she was a little girl, and she is now in her eightieth year. Nor has anyone any exact information as to the purchase price. I can state, upon my knowledge as a real-estate broker of over 27 years' active experience in the business, that the property is not worth, or any property in that block, more than from \$20 to \$22.50 per square foot; that some fancy prices have been paid to satisfy the personal ambition of certain people is true, but that the sound commercial value from an investment standpoint does not exceed my figures; and your argument, which I have read, based upon the misinformation which you had, is an injury to the people of the District of Columbia and an error which I am sure you would not have made had you been possessed of the facts in the premises.

I wish you would correct same, otherwise I will have to give the facts to some one who will. I am sure you would not wittingly use misinformation, but unfortunately you have fallen into this error.

With great respect, I am,
Very truly, yours,

J. L. HEISKELL.

APRIL 30, 1914.

Mr. JESSE L. HEISKELL,
1403 H Street NW., Washington, D. C.

DEAR MR. HEISKELL: I am glad to have statement over your signature that matter appearing in the Washington newspapers in regard to the affairs of the District of Columbia is almost universally inaccurate. I have never made this charge myself, although I have been astonished at the statements in regard to District affairs which have been published to the world through the Washington papers.

I shall be very glad to give your letter publicity at the earliest opportunity, probably when the debate is renewed upon the next District day. In order that I may be perfectly accurate this time I ask now for you to give me the actual selling price of the property at 1335 E Street NW. and also the amount of rent paid by Mr. Engle and any other tenants of the property. Please give me this reply at once, in order that I may make a complete and accurate statement. In the absence of a reply from you on this important point I shall call attention of Congress to your letter and to my reply as herein expressed.

With kindest regards, I am,
Yours, truly,

WM. P. BORLAND.

WASHINGTON, D. C., May 1, 1914.

Hon. W. P. BORLAND,
House of Representatives, City.

DEAR SIR: I have your favor of the 30th ultimo and note contents. Permit me to say, however, that I did not state "that matter appearing in the Washington newspapers in regard to the affairs of the District of Columbia is universally inaccurate." I did state that I regretted that you had fallen into the error of using a newspaper article, such as you did, with regard to a specific transaction as a basis of fact.

As a public man you well know that newspaper articles are invariably incorrect.

I can not give you the sale price of the property, for the reason that my client, the owner, for private and family reasons requested me not to make same public, and I submit that she is entitled to protection in her purely private affairs and that the public is not concerned in purely private transactions in real estate; that they are entitled to the same privacy as individuals with regard to their personal property which the law safeguards and recognizes the justice, if not the right, of, when in the recent income-tax measure it provided a heavy penalty for any collector to disclose the return of any individual.

I further submit that the price at which this property sold has nothing to do with its staple value. In the same block, just west, with handsome improvements, a much more desirable property has been for sale to settle an estate for some years. It has been offered at public auction within about 12 months, and a bid could not be had at \$20 per square foot, including the improvements, which are of a permanent character and well rented.

The purchaser of 1335 E Street NW. is the only buyer who would pay the price which he did for this property, and he only did so in order to complete and carry out a project of his own.

Again, the property has never been offered for sale, and the owner declined proffers of purchase for the reason that the property had been in her family for over 70 years, and while she considered the price offered more than the property was worth, she was disinclined to sell and had to be tempted by a fancy figure.

The property rents for \$400 per month, which is a top figure paid for a long lease and for a special licensed business which universally pays higher rentals than any other class of business. It actually netted the owner, after payment of taxes, insurance, commissions, etc., about \$3,800 per annum. At this figure you can easily fix the value of the property by capitalizing same, as money is readily worth on first deed of trust or mortgage, well secured, 5½ to 6 per cent.

There is no business demand in this locality that would warrant the purchase and improvement of any like amount of property at any such figures as \$18 to \$20 per square foot. Why do I say this? Because there is plenty of other property in better business sections with better chances of improvement that can be acquired at these figures, and the fancies or whims of individuals, expressed in their private purchases, are the necessities of individuals when compelled to pay fancy prices to induce owners to sell, are certainly no criterions of value. For instance, in my 27 years' experience I have purchased land at 50 cents per square foot, which it was not worth, and sold it within a few months at \$2.50, which, of course, it was not worth; but the necessity of the parties acquiring same was such that they had to pay the price I put on it.

Further, I submit that your argument or reasoning from the basis of the transactions which you used in Congress was not sound, for the reason that you knew nothing of the real considerations or elements entering into the transactions that produced the prices actually paid. The monetary consideration is one element and reflects nothing but the view of the purchaser, which in the end is but the satisfaction of his whim, and he could not resell his purchase at a discount often of from 10 to 30 per cent. I am,

Very respectfully,

J. L. HEISKELL.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BORLAND. Mr. Chairman, I have given publicity to these letters, in justice to Mr. Heiskell, because apparently he is only the agent in this transaction and has the right to make his statement, as much right, of course, as I have to refer to the facts within my knowledge. So I have given his statement in full without any attempt to draw any inference of my own from it. But you will notice two facts from his statement. One is that he declines my express request to give the real consideration of that sale. The newspapers stated it was \$100,000. Mr. Heiskell declines to tell us what it was, but intimates it was a fancy figure. I based my statement on \$100,000.

If the price was less than \$100,000, I am inclined to think that the owner would be glad to take advantage of the lower price by declaring it was less than \$100,000, but that is their business and not ours. But I do not agree with the statement that the consideration of the sale is no part of public business. I can not agree with that statement at all, because I think it is the basis of the value of real property and the basis of our rate of taxing it. Nor can I agree with his statement that the place being rented now for \$400 is no evidence of its final value, because I know the condition of that property. I know that it is a two-story brick building, constructed a number of years ago, with comparatively slight development. The improvements on that block consist of buildings of much larger and more expensive type, and in my judgment, and in the judgment, I think, of any man familiar with city values, that property is unimproved, from a business standpoint.

Now, if it rents for \$400 a month, and it is unimproved or underimproved estate, the \$400 a month is not the criterion of its productive value, and on that point Mr. Heiskell and I would disagree. But whatever the real value of the property may be, that real value ought to be the basis of taxation. That is the important part, as far as this statement is concerned. I believe that the real property in this District ought to be assessed on the same basis and made to pay substantially the same rate of taxes that similarly situated real property would pay in any other city in the United States. That is not a question of beau-

tifying this Capital, because that is being done by Congress, and in many cases without expense to the District at all. But it is a question of whether real property located in the District of Columbia shall have any special low rate of taxation or special rate of assessment over what it would have in any other city for a similar business purpose. And I contend that all through this argument it has been clearly shown that property in the District of Columbia is underassessed in comparison with property in other cities of the United States.

Mr. FESS. Mr. Chairman, my interest in this sort of legislation is not because I am a Member of Congress, except in the degree that I want to perform my duty in voting to the best of my judgment, and it is not because I am temporarily residing in the Capital City. But my interest is from the standpoint of a citizen of Ohio and a citizen of the United States. I have such a pride in the Capital of our country, as a citizen of the State of Ohio, residing away from this Capital, that I feel we ought to maintain here at the Capital a city the status and grandeur of which would not be maintained unless the Federal Government did give a certain degree of support. And I have feared, from the trend of argument delivered by the proponents of this bill, and the answer to questions that have been put, that one purpose of this legislation is for the General Government to free itself of any burden in supporting the Capital City of the Nation. I do not believe that there is any less reason to-day than when the Capital was located here that the General Government should not retain its authority in the District of Columbia. In other words, the same reasons exist now that were apparent then. The very reason, for the first President of the Nation, in obedience to an act of Congress, selected this site, which was then without a city, but a mere collection of houses, in preference to New York, Philadelphia, Baltimore, or Richmond, that same reason is to-day apparent that we ought to maintain the control of the Capital City. Indeed, there are many reasons that it is unnecessary now for me to specify. And if we do anything as the Congress legislating for the Nation to maintain the control of the District, then I am sure that we ought not to try to free ourselves from the burden of making it not only a more beautiful city than it otherwise could possibly be, but the best-governed city of the world. And when I look upon these beautiful streets, for they are more beautiful, better kept, cleaner, better wooded, if you will allow me to use that expression, and when I observe the system of parks, more beautiful than in any other city I know of anywhere in the country, I think that if we can maintain these in the form that they are, even without the support of the Nation, we ought not to force upon the resident people of the city the entire burden simply because we can, if we still maintain the control of the District.

Mr. JOHNSON of Kentucky. Will the gentleman yield?

Mr. FESS. I will yield to my friend from Kentucky.

Mr. JOHNSON of Kentucky. Does the gentleman from Ohio believe that a failure to tax stocks, bonds, and securities of that description tends to make the city more beautiful?

Mr. FESS. I would not want, Mr. Chairman, to make the District of Columbia or the Capital of the Nation a refuge for people to come to in order to get rid of taxation. I would oppose that proposition.

Mr. JOHNSON of Kentucky. Do I understand from the gentleman's answer that he is in favor of taxing those securities now, or will be for a proposition, which will come very shortly, to tax them?

Mr. FESS. I am in favor of taxing the intangible property here as well as in other places. I do not want our Capital City to be a refuge where men can come and free themselves from or escape the burden of taxation. But I do not mean that we will place all the burdens of the taxation for the District of Columbia, the domicile of the Nation's Capital, upon the residents of this city. If we do, then I think we are in honor bound to move out, figuratively speaking, and let the government of this District and this Capital City be in the hands of the people who bear the burdens. That is a position I can not take. There are reasons why the policing of this city, the protection of it, the sanitation of it, and every phase of its government should be kept within the control of the General Government, for this is not a city simply for the resident who lives here; it is the Capital City of the hundred millions of people throughout this country, who feel an ownership of which they are proud; and because of that I do not want to place all the burden of taxation upon the people living here, but I want to assume a part of it as a citizen of Ohio. I will not have to pay more than about 7 cents annually, you will not have to pay more than about 7 cents, in order that the Nation does its part. And I am willing and the people in my district are willing—I have not consulted them, but I know that they have pride

enough in the capital of the country, as the most beautiful city in all the country—to bear a little burden to keep it as it is.

Mr. JOHNSON of Kentucky. Will the gentleman yield for a question?

Mr. FESS. And before I shall vote for any measure or any amendment that will repeal the organic law I want to have time to study, through an investigation, in order to know what is to be the outcome of the change. As I see it now, it is not possible for me to vote either for the original bill or for the substitute or for the amendment, for you have not yet convinced me that you are not going to disorganize the plan of government in the city and that we are not going to free ourselves from the burden that partly belongs to us. Therefore I can not support what is before the House. [Applause.]

Mr. OGLESBY. Mr. Chairman and gentlemen, I am going to ask permission to be excused from voting on this proposition, for the reason that I have come to the conclusion that I am an interested party. I would like, however, to have the permission of the committee to give expression to one or two ideas that seem to me to bear somewhat on the situation.

Now, in support of the proposition that I am an interested party, I point to the lower line on this card in front of us, which says that, based upon the actual valuation of property here, the rate of taxation is 6½ mills. It so happens that when I had the honor to be elected to represent the twenty-fourth district of New York in Congress I came down to find some place to stay while I was here. I found that the rental value of property was very high in proportion to the sale value. It was not hard to find out why. We have a shifting population. People who have houses either for sale or rent have opportunities to rent that they do not have for sale. But the sale value of property is fixed very largely by its rental value.

Now, the proposition here is to raise the rate of taxation from 6½ cents to 15 cents. That means either that the owner of the property must raise the rent, in which case every gentleman here who rents a house would also be disqualified from voting, or it means that the valuation of the property would be reduced, because if your valuations are based on rental returns, then the net rental return would be reduced by 8.5 cents. On a piece of property worth \$10,000 at the present rate of taxation it would be reduced by \$850. The gentlemen all assume to take the position that they are not disqualified to vote on this proposition—gentlemen who are renting houses.

Mr. BOOHER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Missouri?

Mr. OGLESBY. Yes.

Mr. BOOHER. Is that 6½ cents or 6½ mills. The gentleman said "6½ cents." I did not understand whether that was 6½ cents or 6½ mills. Does it mean 6½ mills?

Mr. OGLESBY. Oh, it depends on what you use as the unit. It does not make any difference. I assume that if the gentlemen here who are renting property believed that an increase in the rate of taxation would increase the rentals which they would have to pay, they would conclude that being interested parties they could not vote on this proposition. It therefore seems to be the consensus of opinion that the result would be to lessen the sale value of the property.

Now, I believe that one reason why property values are so high in the city of Washington is because the rental values are high and because the tax rate is low.

Mr. PROUTY. Now you are guessing. [Laughter.]

Mr. OGLESBY. I see my friend from Iowa [Mr. PROUTY] agrees with that proposition. But I say that this bill is the most unscientific hodge-podge that I have ever had the privilege of considering. [Laughter.]

Mr. PROUTY. Now you see I am not smiling. [Laughter.]

Mr. OGLESBY. The gentleman from Iowa does not smile. They propose instead of having the rate follow the budget to have the budget follow the rate; in other words, they fix an arbitrary rate of taxation that the citizens in Washington have to pay—fix it at 15 cents. They say the assessed valuation shall be 100 cents on the dollar, and if it produces more than the budget requirements, we assume the balance of the money stays in the National Treasury; and if it produces less, they say, "Well, that is enough for them to have to pay, so we will ask our constituents at home to make up the deficit, because the people here are not able to pay any more than a rate of 15 cents."

I do not want to ask my people to pay one cent that the people of the District of Columbia ought in justice to pay. I have to pay taxes in the District of Columbia, because I bought a house down here believing that it was cheaper than to rent one. I paid in taxes last year \$400 in the State of New York where I pay \$1 in Washington. I do not know whether it would

make any special difference to me whether the rate is lessened here or increased in New York, or whether it is increased here or lessened in New York under that provision.

But here in the District I find, in looking over the appropriation bill for the District, introduced in March, 1914, that a part of the money is appropriated for the street-cleaning division in the city. Now, it is estimated that about two-fifths of the property of the District of Columbia is owned by the National Government. The lowest estimate I have seen is that one-fourth of the used property—that is, outside of the parks and the streets—belongs to the National Government.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. OGLESBY. Mr. Chairman, I ask unanimous consent for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OGLESBY. There is no analogy between the Government-owned property in the District of Columbia and the statehouse and other State property in a city in which a State capital is located in some State. The difference is that in the latter instance the State capital is located there because there is a city. Washington is a city, because the National Capital is located here. In the city of New York the post-office building is owned by the National Government. A customhouse is owned by the National Government. The National Government does not pay any taxes on that, it is true; but it is such a small proportion, such a small part of that city, the taxes would not amount to a pinch of snuff.

Mr. PROUTY. Mr. Chairman, will the gentleman yield there for a question?

Mr. OGLESBY. Certainly.

Mr. PROUTY. Why should they not pay in New York?

Mr. OGLESBY. Because in New York, as well as in other cities throughout the country, they are willing for the National Government to have a building there for the transaction of the business of the Government, as a matter of convenience to the citizens there, and to have it without imposing any share of the taxes, it being so small in amount that it is practically inconceivable.

Mr. PROUTY. Is it not because they propose to get some benefit from it?

Mr. OGLESBY. I say it is more or less of a convenience to the people there.

Mr. PROUTY. If a small amount is enough to offset the disadvantages, would not a larger amount more than offset them?

Mr. OGLESBY. Well, if the same reasoning applied, that would be so.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Virginia?

Mr. OGLESBY. Yes.

Mr. MONTAGUE. I was very much interested in the gentleman's remarks. Does the gentleman think that the nonpayment of taxes upon property owned by the National Government in New York is a mere matter of convenience?

Mr. OGLESBY. I say that in New York we do not insist that the National Government shall pay taxes on its property. That is, we are willing that the Government shall own property in the city of New York without payment of taxes thereon, because it is more or less a matter of convenience for us to have a post office and a customhouse located there.

Mr. MONTAGUE. Is it a matter of willingness or unwillingness on the part of the people of the city or the State? Have you authority to levy taxes there on Government property?

Mr. OGLESBY. I say it is a matter of convenience to the people of the city to have the post office and customhouse located there.

Mr. MADDEN. As a matter of fact, the Government will not accept title to property in a State unless exemption from the payment of taxes is conveyed by the State.

Mr. MONTAGUE. I will say to the gentleman that the existence in a city of a piece of property owned by the National Government is dependent upon the exemption of that property from taxation by the city or State in which it is located.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. OGLESBY. Yes.

Mr. COOPER. The State government can not tax a national security; otherwise it would ruin the Government's opportunity to borrow money; and, of course, it can not tax Government property, because the power to tax would prevent the Government from erecting a building in a city if it was left to the arbitrary discretion of a State to tax the national property.

Mr. OGLESBY. I will say in reply to the gentleman that I understand it is the policy of the Government that whenever they purchase a site for a post office or a public building they require that it shall be with the understanding that the National Government shall not pay a tax on the property.

Mr. BAILEY. The gentleman from Wisconsin stated that the taxation of a public building would result in the prevention of the building of these structures. If the taxing of a public building would have that effect, would not the same effect be likely to follow the taxing of private buildings?

Mr. FESS. No; they are different.

Mr. OGLESBY. I do not think the gentleman from Wisconsin really intended the shade of meaning which the gentleman has indicated.

Mr. BAILEY. If that is the right inference—

Mr. OGLESBY. Of course, in one sense if one were true then the other would be; but I do not think the gentleman intended that shade of meaning.

Mr. TOWNER. Is it not true that in every case where a Government building is built in any city it is a prerequisite, before they will erect a building or put any of the money of the Government into it, that all jurisdiction of the State is withdrawn from the land acquired by the Government, so that the State has neither the right nor the power to tax it in any sense? Is not that true?

Mr. OGLESBY. I just stated that the Government acquired property for the purpose of erecting Federal buildings in cities only on condition that that property be exempt from local taxation.

Mr. TOWNER. And is it not further true that they will not even pay for the curbing, or for the paving of the streets adjacent to it, or any part of the improvements of the street itself near to it?

Mr. MADDEN. That is true.

Mr. OGLESBY. That is true to this extent: The Government will, after the building is completed, build its own sidewalks and curbing around the building; but it will not submit to have the sidewalk and curb built by the local authorities and then an assessment levied against the Government to recoup the city for that expense.

Mr. TOWNER. The gentleman is entirely correct about that.

Mr. BALTZ. Will the gentleman yield?

Mr. OGLESBY. Yes.

Mr. BALTZ. Are the people in your State taxed for the purpose of maintaining the capital city of your State?

Mr. OGLESBY. Why, unquestionably. But I say there is no analogy between the location of the capital in a State and the location of the National Capital here.

Mr. BORCHERS. I was just prepared to ask the gentleman the same question. I do not think the gentleman understood the question. Do you know that I represent a farming district?

Mr. OGLESBY. I thought the gentleman represented the great city of Decatur.

Mr. BORCHERS. We are interested in our county seat and in our State capital. Is it not just as reasonable to tax the farmers of my district to make the county seat more beautiful and to make the State capital more beautiful as it is to tax them to make the city of Washington more beautiful?

Mr. OGLESBY. I will say in reply to the gentleman that I do not believe we should put it on the basis of making the capital more beautiful at all. That has nothing in the world to do with it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LA FOLLETTE. I ask unanimous consent that the gentleman have five minutes more.

Mr. JOHNSON of Kentucky. Reserving the right to object, I ask unanimous consent that all debate be closed at the conclusion of the gentleman's five minutes.

Mr. CROSSER. Reserving the right to object, I should like 10 minutes.

Mr. JOHNSON of Kentucky. Then I will ask unanimous consent that all debate be closed—

Mr. MADDEN. On the bill?

Mr. JOHNSON of Kentucky. On the bill and pending amendments.

Mr. PROUTY. Reserving the right to object, I did not quite understand the request.

Mr. JOHNSON of Kentucky. I ask unanimous consent that all debate be closed upon the bill and amendments in 15 minutes after the gentleman from New York [Mr. OGLESBY] concludes his present 5 minutes; 5 minutes to be used by the gentleman from Ohio [Mr. CROSSER] and 10 minutes by us.

Mr. MANN. Reserving the right to object, may I ask the gentleman what will be the effect on the rest of the bill if the com-

mittee should adopt neither the amendment of the gentleman from Kentucky nor the substitute of the gentleman from Ohio [Mr. CROSSER]? Does that mean that the rest of the bill will be stricken out?

Mr. JOHNSON of Kentucky. If either the substitute offered by the gentleman from Ohio [Mr. CROSSER] or the amendment offered by myself to the substitute is adopted, in my opinion that will conclude the matter.

Mr. CROSSER. Supposing neither is adopted?

Mr. MANN. Would that mean that as the bill is read the rest of it would be stricken out?

Mr. JOHNSON of Kentucky. That is my understanding.

Mr. MANN. Probably without much further debate?

Mr. JOHNSON of Kentucky. Yes.

Mr. MANN. The gentleman has two other bills. Does he intend to call them up?

Mr. JOHNSON of Kentucky. I would be glad to call up either, if we can get through with this.

Mr. OGLESBY. If you get through with this right away?

Mr. MANN. I wondered whether it was the intention to adjourn any earlier than usual to-day, because of what is occurring to-day in New York.

Mr. JOHNSON of Kentucky. I have no desire to keep the House at all.

Mr. MANN. I have no desire to interfere with the gentleman's program.

Mr. JOHNSON of Kentucky. This debate has been going on for three District days, and it ought to be concluded. I will ask unanimous consent that all debate upon the bill and amendments cease in 25 minutes, 5 minutes to be used by the gentleman from New York [Mr. OGLESBY], 10 minutes by the gentleman from Ohio [Mr. CROSSER], and 10 minutes by the gentleman from Iowa [Mr. PROUTY].

Mr. CROSSER. I call the attention of the committee to the fact that if by any possibility both the substitute and the amendment are lost, then we will be in this situation: That the greater part of the original bill has not been read yet, and it could not be debated.

Mr. MANN. The bill has to be read anyhow.

Mr. CROSSER. I know; but we would not be allowed to debate the other provisions of the bill.

Mr. MANN. The gentleman is in error about that.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] asks unanimous consent that debate upon this amendment—

Mr. MANN. Debate upon this section and all amendments thereto, I take it.

Mr. JOHNSON of Kentucky. The amendment is in lieu of the substitute.

Mr. MANN. Section 1 of the bill has been read, and the gentleman from Ohio [Mr. CROSSER] offered a substitute, saying that if it was agreed to he would move to strike out the other sections of the bill. The gentleman from Kentucky has offered an amendment to the substitute, so that the debate should be closed on the section and all amendments thereto.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate on the section and amendment thereto close in 25 minutes, 10 minutes to be given to the gentleman from Iowa [Mr. PROUTY], 10 minutes to the gentleman from Ohio [Mr. CROSSER], and 5 minutes to the gentleman from New York [Mr. OGLESBY].

Mr. FALCONER. Will the gentleman from Kentucky yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. FALCONER. What is the program for the rest of the afternoon after this bill is disposed of?

Mr. JOHNSON of Kentucky. I do not believe that we will have any time after this bill is disposed of.

Mr. FALCONER. Was it the intention of the gentleman to bring up any more District bills after this?

Mr. JOHNSON of Kentucky. I think not. It was my intention earlier in the day to do so, but I think that opportunity is gone.

Mr. RUCKER. Mr. Chairman, I want to say that the Committee on Rules has a rule ready, which I believe the chairman wants to call up after this is disposed of, relating to a bill of great importance, but which will not take much time in discussion.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

Mr. OGLESBY. Mr. Chairman, there is no analogy between the location of the capital of a State and the National Capital. Almost every city in every State is anxious to have the State's capital located there. The capitol building and the executive mansion is practically all there is to it. Here the National

Capital was located and here the great buildings of the Government are located because the Capital is here. The United States Government owns a great deal of property and transacts a great deal of business. There are many departments which have buildings here. The National Government gets the benefit of the money expended in building, cleaning, and repairing the streets and sidewalks, for removal of snow, and for the water department. I have here the bill making appropriations for the District. I see no reason in the world why the National Government should not pay its share toward maintaining the street-cleaning department, the improvements under the assessment and repair work, grading of streets and alleys and roadways, many of which are in front of Government-owned property, the repairs to streets and alleyways, the street cleaning, the snow removal, disposal of city refuse, the care and maintenance of parks, the lighting system, the aqueduct, the Metropolitan police. I hear gentlemen say that the Metropolitan police do not come inside of the building, because we have our own police. That is so, but it is on a parity with the business house down town that has its private watchman. It is for the general protection of Government property here in Washington, of which it has several hundred million dollars' worth.

It has the protection of the fire department and the benefit of all permanent improvements. I say, then, that whatever share the Government pays for the maintenance of these departments is nothing but justice. It is not a question of charity; it is a question of saying to the people how much you shall pay as a fair share. It is absurd to base the tax rate upon the rate in other cities. The question is, how much are the requirements, and then divide it fairly between the people here in the District and the Government of the United States, which owns the rest of the property.

I do not know any reason why the people of the District of Columbia should ask for charity, and I do not know why the people of the United States should ask for charity of the people of the District of Columbia. But the most monstrous proposition of all is, irrespective of what the amount of taxes raised are, they say you must arbitrarily pay a rate of 15 mills based on a full assessed valuation. I want to say that in my opinion that would produce a surplus.

Now, I pay a tax in three of the cities shown on that chart. I believe the tax rate based on actual valuation in the District of Columbia is as high as it is in either of those three cities. After careful examination of some of the assessments which are based on the valuation of my own property and the taxes which I pay, I am convinced that if you assess property here at 100 cents on the dollar and fix the rate at 15 mills you will cause more in taxation than the entire expenses of the District of Columbia would require. [Applause.]

Mr. RUCKER. Mr. Chairman, I am not familiar with the details of this bill, but I want to make a few observations. My judgment is that no mortal man has ever yet arisen who was capable of drafting entirely equitable revenue laws. Every one I have ever had occasion to examine discriminates in its provisions, and the discrimination is always against the poor and always in favor of the rich. The nearest approach to equity would be to assess all property at its actual value, if such a thing is possible. In doing that some one will say that the poor man or the poor woman is taxed too high. If all values are raised to the full market value, the rate of taxation could be lowered correspondingly and yet raise a given sum of money. The greatest disparity with reference to real estate, and especially homes, is against the poor, because the mighty mansions you have heard talked about to-day, those that drivers announce through their horns to every visitor to the city as the home of some millionaire, those values are more favored in assessment at any figure less than actual value than the humble home.

When it comes to personal property there can be no question that the burden is on the poor. Necessarily all household property can not be examined by the assessors, an inspection can not be had of each particular chair and bedstead and its actual value ascertained; neither can the horses owned by the drayman all be valued at actual value. Hence there must be a rule of equalization, and the rule always works so that they equalize the value on the bobtailed horse driven by the millionaire down, while the knock-kneed mule driven by the poor devil who works for his bread and meat is equalized up.

I am in favor of a rigid rule in this District requiring those who own wealth to pay reasonable taxes. If I had no judgment in the matter whatever, what I have read in the Washington papers—conditions which I believe to be true—would force me to a conclusion. I read in the papers of this city some time ago that rich men, bankers' associations, commercial clubs, business men's leagues, and the Lord knows what, have met in solemn convention in mass meeting and denounced the

efforts of Congress to make them pay reasonable taxes. I have read where a distinguished man, a distinguished school-teacher—they think they know everything, and some of them do know most everything—said that this is a residential city and not a business city, and he wanted to cry down taxes, lower taxes, in order to invite and induce the owners of great wealth of this country to come here and to reason with the rich that to do so would enable them to escape taxation. When rich men from the States come here and fix their abode, their personal property follows them and thereby would escape taxation if the wealth of this city is allowed to control legislation. They argued that, "We want to offer as an inducement to rich men everywhere to come here the fact that their personal property which follows them will here escape taxation." This argument was made by those who, no doubt, clip coupons from bonds and from mortgages on the homes of thousands of people in the United States. Following that in solemn meeting they proclaimed to the world that if we adopt a law in Congress by which we attempt to make them pay taxes on the intangible wealth owned by them, which amounts to a fabulous sum, that men would refuse to do so, and they said that they would perjure themselves before they would do it. Mr. Chairman, the best thing on earth is to try them, pass the law taxing intangible wealth, and then if the rich man swears falsely as to his property for the purpose of escaping just taxation, treat him or them as you would other criminals in the District, and put him or them behind the bars, if need be, that justice may be done to struggling humanity, even here in the city of Washington.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PROUTY. Mr. Chairman, one gentleman has very truthfully said this afternoon that 90 per cent of all of the discussion that has been had upon this subject, or in the time allotted for the discussion of this subject, has been immaterial and irrelevant to the real issue involved. A great deal of time has been spent here to show that the old organic act was a good thing, and it ought not to be repealed or affected. I say to the gentleman from Ohio [Mr. FESS], as a lawyer, that this bill, as now proposed, in any one of the three different propositions pending before this House, does not change the organic act one whit.

Mr. MADDEN. It simply puts it out of business.

Mr. PROUTY. It does not change the organic act on the statute books.

Mr. FESS. But it makes a great difference in the pocket-books of the taxpayers.

Mr. PROUTY. Ah, that is correct. It makes a difference in the pocket-books of the fellows who have successfully evaded the organic act. Now, let us see what the organic act provided. It provided that all kinds of property, real, personal, tangible, and intangible, should be assessed at 15 mills on the dollar. The commission appointed by Congress to look into that, after four years, decided that 15 mills was the fair average rate in the cities of the United States, and wanting to be fair to Washington, they fixed it at 15 mills. Since that time taxation has generally gone up all over the country until I have shown here by an undisputed table that it has been raised to 19 mills on the dollar.

Mr. MADDEN. Did the gentleman say "undisputed table"?

Mr. PROUTY. Yes; I say "undisputed," because that table and those figures have been before this House and have been before the United States now for four weeks, and no man, either in the public press or by private communication, has called into question a single one of the figures.

Mr. MADDEN. I have heard it questioned on the floor of the House.

Mr. PROUTY. Oh, yes, in an insinuating way; but no man has said that those figures are wrong.

Mr. MADDEN. The gentleman has not proved the figures himself.

Mr. MANN. I think every gentleman here who has spoken said that they were wrong about his own city as to valuation.

Mr. PROUTY. It does not purport to say a word about valuation.

Mr. MANN. It purports to give the rate on full value.

Mr. PROUTY. And there is not a city but where the law provides exactly the rate at which it shall be fixed.

Mr. MANN. The gentleman assumes—

Mr. PROUTY. Oh, I propose to reserve the right to talk or else have a question asked.

Mr. MANN. Very well. I am very glad that we gave the extra 10 minutes after his having talked for 4 or 5 hours the other day.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. Yes.

Mr. FESS. I understand the gentleman to say that this has not anything to do with the repeal of the organic act.

Mr. PROUTY. I did not say—I said it did not repeal a single word or syllable of the organic act.

Mr. FESS. Am I mistaken when I conclude that the gentleman's argument is that his method of taxation will make it unnecessary ultimately for the Government to pay anything for the District?

Mr. PROUTY. That is a question of conclusion. Here is all this bill does: All that this bill does is to say that real estate shall be assessed in the District of Columbia at its full value—just what the organic act says. It says that it shall be assessed at 15 mills on the dollar, or at a dollar and a half on the hundred—just what the organic act said. Let us get down to facts, so that we will understand each other. The trouble is this: In 1902 Congress, realizing, or some fellows who were manipulating the thing realizing, that they were going to raise too much revenue by that kind of a game to make it necessary for the Federal Government to pay anything, changed the ratio. They first said that real estate should be assessed at only two-thirds of its value. They put jewels and that class of property on the free list. They fixed it so that the moneys and credits invested here in what we call public utilities should be assessed at an extremely low rate, and they have drifted down the value of the property, while the Government end of it has remained the same—15 mills on the dollar. That has not been changed at any time.

Mr. OGLESBY. What are you going to do with the half the Government is supposed to pay?

Mr. FESS. I have not heard what the Government is going to pay under the gentleman's plan.

Mr. PROUTY. How do I know? I am not going to assess this property. All I am saying is that it shall be assessed at its full value, just as these other cities pay under their laws. I am going to say they shall pay 15 mills on the dollar, while in my city they say that the rate shall be 22 mills.

Mr. FESS. Is not this the gentleman's argument: That a 100 per cent valuation at a rate of 1½ will make it unnecessary for the Government to pay anything to the District?

Mr. PROUTY. I think it will, but that is purely a conclusion.

Mr. FESS. That is exactly what I thought.

Mr. PROUTY. Take, for instance, my friend from Illinois [Mr. MANN], who made a great deal of fuss about the value of real estate as shown by this George report. I was rather amused at the gentleman. He had just stood up here and denounced statements in the newspapers, and I call his attention to the fact that the very place and the only place he ever got Mr. Brown's name was from the newspaper report. Mr. Brown did not prepare it.

Mr. MANN. The gentleman is not stating the fact.

Mr. PROUTY. Then where did he get it?

Mr. MANN. I got it from the gentleman himself.

Mr. PROUTY. I got it from the newspapers.

Mr. MANN. I do not know where the gentleman got his information, but I got it from the gentleman himself.

Mr. PROUTY. It is true this man Brown was an accountant.

Mr. MADDEN. The gentleman forgets what he states sometimes.

Mr. PROUTY. I do not forget what I state, but I sometimes forget what the gentleman states.

Mr. MADDEN. I hope the gentleman does.

Mr. PROUTY. This man Brown, I do not even know him, except I was asked the question here as to who did this figuring, and I was told it was a man by the name of Brown, but there is a committee of 15 Members of this House that was appointed for that purpose. However, this is irrelevant; it does not make any difference whether that is \$744,000,000 or \$350,000,000, they will only be assessed hereafter at 15 mills on the dollar. Now, that is all this bill will do. Even if the figures are incorrect, what difference does it make?

Mr. OGLESBY. It relieves the Government from paying any part of the expense of administering the affairs of the District of Columbia.

Mr. PROUTY. It does not excuse anybody. This is what it does, what the gentleman stated several times in his speech he was in favor of, and that is to make the people of the District of Columbia pay a fair rate of taxation as compared with the other people of the United States.

Mr. OGLESBY. I did not say that; I said they should pay their fair share of the burden of the administration of the affairs of the District.

Mr. PROUTY. Well, a fair share—that is begging the whole question. Nobody knows what is the fair share. They say the Government owns two-fifths, and the Government reports show they own 127½ in 7,114 acres in the city.

Mr. OGLESBY. But the gentleman does not suggest what the proportion is; if so, we may stand by it.

Mr. PROUTY. I have given it in my speech, and if the gentleman will read a good speech I think he will find it.

Mr. FESS. The gentleman's fair share is all of it?

Mr. PROUTY. My thought is this, gentlemen: Some of you think I am antagonizing somebody, wanting to fight somebody, wanting to fight this District. Why, bless your soul, as far as I know I have not a single enemy in the District, and so far as I know I have not a single friend in the State of New York, except my distinguished friend before me. Why should I fight the District of Columbia? I was simply your representative put upon the Committee on the District of Columbia to investigate the relations between this Government and the District of Columbia, and I found what I believed to be a burning wrong; a wrong, for instance, that is causing the people in Alexandria, who pay 18 mills on the dollar to educate their children and build their sidewalks and build their pavements, to help pay the taxes of these people over here who pay 10 mills on the dollar, and I can not get it out of me why that is not wrong. When you get it in the concrete you have covered the whole Nation. There is not a city there that does not pay more than they do here. Why should those people be called upon to come here and educate these people, to build their sidewalks, to build their pavements, to flush their streets? I agree with all that the distinguished gentleman from Illinois [Mr. MANN] has said about this being a beautiful city. I want it to be a beautiful city, but that does not mean I am going to do a wrong, a burning wrong, to 90,000,000 of the people of the United States in order to secure it? [Applause].

Mr. MADDEN. Does the gentleman think any of those 90,000,000 are lying awake at nights thinking we are going to take anything away from them?

Mr. PROUTY. No; I am simply saying that, being accustomed to a certain species of graft, they simply lie dormant under it, and that is God's truth. [Applause.] I will tell you if the people of the United States knew just exactly the situation that is here in Washington, they would not be silent long, even in their stupified condition. Why, the gentleman stands up here any says he does not object to giving 7 cents. I would like to ask the gentleman why he would not be willing to make it 14 cents while he is at it? If he will just make it 14 cents, that would not hurt anybody. It is a mean, dirty little man who will not give 14 cents, and yet if we give 14 cents apiece you could have a city here that the millionaires living on Massachusetts Avenue, without paying a cent of it, could live like they did in the holy city of China—in palaces—while the people all over the realm, the poor people, living in huts, paid the taxes to support those people in their luxury.

Mr. OGLESBY. Will the gentleman tell me whether or not the committee made an effort to ascertain the proportionate value of the property owned by the Government to that owned by private citizens in the District?

Mr. PROUTY. No; we did not; of course not; because we were not trying to assess it. What we did try to do was this, and that is to do something that was fair between the people who own property here and live under the benign influence of this Capital as compared with that portion who live elsewhere. We stated this fundamental proposition: Before the people of Washington have a right to call upon the people all over the United States to contribute to their support they must at least bear as heavy a burden as these other men whom they have asked to contribute.

Mr. OGLESBY. The gentleman draws his conclusions, but did the committee attempt to ascertain the facts?

Mr. PROUTY. I said "no" to that long ago.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CROSSER. Mr. Chairman, I would like to yield two minutes to the gentleman from Pennsylvania [Mr. BAILEY] if I can at this time.

Mr. BAILEY. Mr. Chairman, the thought that has impressed itself upon me during this debate is that we are going back to the Dark Ages of taxation. The thing which, the world over, is generally being abandoned, or is thought of as being abandoned, is to-day being championed here on this floor. I hold in my hand an advertisement of one of the most prosperous cities in the great Southwest, a city that is advertising the fact that it is getting away from this barbaric system. The city of Houston, Tex., is sending broadcast the following advertisement:

A perpetual bonus to manufacturers and merchants is offered by the city of Houston, Tex., through its system of exemptions from taxation. Personal property, such as cash, household furniture, and evidences of debt, are totally exempt from taxation.

THE HOUSTON PLAN OF TAXATION

contemplates that merchandise, machinery of manufacturing, and all other improvements upon land shall be assessed at only 25 per cent of their value, land being assessed as its fair value.

Take your money and brains to Houston, Tex., and get the full benefit of all that you create by your industry and enterprise.

For further information, address J. J. Pastoriza, finance and tax commissioner, Houston, Tex.

Now, Houston has been growing in a most amazing way, according to all the testimony which I have been able to gather, including that of Mayor Campbell, and there is to-day on the part of the people of that city, so far as I can ascertain, absolutely no challenge of the merits of this system.

Mr. Chairman, I have said that the success of the Houston plan has been attested by the mayor of that city. His own words, reported in the Houston Chronicle, may appropriately be quoted. He says that all taxpayers in Houston have been faring alike, and he adds:

Under our present system of taxation Houston has prospered like it has done never before. We have accomplished a great deal under our new form of taxation.

One of the best features of the Houston plan is that it is no longer necessary for people to commit perjury when making their assessments. Men can be gentlemen now when they do their assessing. It is no longer necessary for people to send their money to New York the last of December and have it sent here January 15 in order to keep from paying taxes on their money.

Under the present system there is no discrimination whatever. The man who owns land pays the same as other landowners. The man who owns property pays the same as other property owners. Everybody fares alike, and I can see no just cause why some of the taxpayers in Houston should have a kick coming.

It is my observation that some of those who are behind this new movement, trying to stir up trouble, have done little for the upbuilding of Houston, although many of them have been in a position to do so.

There are some who wish to be parasites on the community and to get rich from the industry of others. These men who have purchased in Houston at extremely low figures in the past and who are now holding it for purely speculative purposes, without improving it, do nothing for the advancement of Houston.

Much has been said on this floor during the debate on this bill about Washington having become a haven of refuge for tax dodgers. This is a confession from the other side absolutely fatal to their case. They confirm by their declaration the simple fact that men instinctively flee from injustice; that instinctively they seek to protect their property and to enjoy the fruits of their labor; and that instinctively they gather where the greatest freedom from destructive, repressive, and punitive taxation is to be found. Washington is not made worse by the coming hither of people of wealth. It is made better, at least to the extent that these people of wealth build and beautify and contribute to the progress of the National Capital. Why should we wish to drive them out? Is wealth indeed so objectionable?

Houston does not think so. She is inviting wealth. She is bidding strong for men of wealth and enterprise to settle there and to take part in her civic and industrial life. She thinks that wealth is a good thing, and that too much of it can not be brought into her banks and her businesses and her homes. She thinks houses are good things, and she lays no punitive hand on the improver. Rather, it is the nonimprover whom she seeks to discourage.

Nor is Houston alone in possession of this sane idea. We find it cropping out in many other cities, notably in some of those of the Canadian west. Take Victoria, in British Columbia, for example. We find that Victoria is advertising pretty much along the lines followed by the Texan city. Here is an advertisement widely circulated by one of the leading banking institutions of that progressive community. The advertisement itself is striking and significant, but more striking and significant is the fact that it comes from so conservative a source as a \$3,000,000 trust company, which is spending money to tell the world that Victoria is a city where industry and enterprise are not penalized as we would penalize them here in Washington under the terms of this bill or as demanded by many of the gentlemen who have spoken in its support. But let me allow the Victoria bank advertisement to speak and tell its own story. Listen:

WESTERN CANADA IS TO-DAY THE MOST PROSPEROUS COUNTRY ON EARTH.

This is partly due to enormous natural resources just being developed, to the immense sums being spent on railroad construction, and in and near Victoria to what Rudyard Kipling says is "the finest climate on earth," but is also very largely due to common sense in tax laws and the immigration these induce. The partial application of Henry George's single-tax ideas in Victoria and Vancouver worked so well that every town, every city, and every Province in western Canada is working for their full adoption.

Here it is no longer a greater crime to build a chicken house than to rob one, as it is in every county of every one of the United States.

Men are not punished for building homes, stores, or factories or for raising crops or cows. Homes, factories, cattle, and all personal property are exempt, and taxes are levied on land values and natural resources.

This tends to prevent monopoly and to increase wages, profits, and interest.

This, Mr. Chairman, is not the voice of the doctrinaire reformer. It is not the vapor of an irresponsible theorist. It is not the heated fancy of some rampant radical bent on change. It is the sober pronouncement of a great financial institution, which is concerned in acquainting the world with a most important economic fact—the fact that industry in that community is held in favor and is subjected to neither pain nor penalty.

The logic of the Johnson-Prouty proposition is the logic of the middle ages. It harks back to a remote past. It flies in the face of the best thought of the day on taxation. In my own great State of Pennsylvania we are steadily drawing away from the idea which lies at the basis of the Johnson-Prouty scheme. For 40 years we have practically exempted personal property from taxation. Manufacturing has been wholly free from taxes, and as a result Pennsylvania manufactures have grown in greater proportion than manufactures in any other State. Nor is this all. By recent legislation we have provided for a progressive exemption of improvements on land from taxation in cities of the second class. That cities of other classes will speedily demand the same advantage is certain. They must demand it or fall behind in the race. Improvements will be made, other things being equal, where they are accorded the best treatment; capital will go for investment to the point where it finds the warmest welcome and the least disposition to lay it under tribute.

Gentlemen have bewailed the fact that the taxation of intangible personal property is not accomplished with that precision which they fancy to be so much to be desired. But, Mr. Chairman, is it not about time that we should begin to ask ourselves whether a thing we have been trying for 2,000 years to do, only always to fail, is something we really ought not to do? Most people long ago ceased trying to mix oil and water. The alchemist who sought to transmute the baser metals into gold has moldered in the grave for centuries. And no one seriously tries any longer to lift himself over the fence by his bootstraps. But honest and well-meaning gentlemen on this floor and elsewhere still believe it possible to devise an equitable and a workable system of taxing intangible personal property, this in the face of universal experience and in spite of the testimony of all authorities on the subject. Personal property, tangible and intangible, largely escapes taxation, no matter how rigid the system, because man naturally and instinctively rebels against it. He perjures himself rather than submit to it. He hides what belongs to him rather than allow it to be taken away from him in part by the community which had no part in producing it.

I might quote volumes to show the utter futility of all efforts to tax personal property on anything like an equitable basis or with anything approximating fairness. And the worst of it is that where personal property taxation is most successfully carried on there the greatest injustice is done. It is best when it is least effectively applied.

It has been my privilege, Mr. Chairman, to introduce a bill in this House the adoption of which I feel sure would mark a long step in the right direction. It is in part an adaptation of the Houston plan, or perhaps I might better say it is an attempt to combine what is known as the Houston plan with the so-called Pittsburgh plan with certain features peculiar to itself. Under it we should have a progressive exemption of improvements from taxation for a period of years, with an account taken of the annual depreciation, the bill further providing for exemptions of a sweeping and most salutary character in conformity with the best modern experience. My bill follows in detail:

A bill (H. R. 14384) to regulate the assessment of property for taxation in the District of Columbia, and for other purposes.

Be it enacted, etc., That hereafter in the assessment of property in the District of Columbia the value of improvements in, on, or under the land shall be set forth by the assessors in a column in the assessment rolls separate from the value of the land: *Provided*, That beginning with the year 1915 an annual charge of 5 per cent for depreciation shall be made against all improvements in said District, this amount to be deducted from the assessed value of such property: *Provided further*, That in addition to the amount charged off for depreciation there shall annually be a further reduction of 10 per cent for a period of five years in the total assessment against improvements, so that at the end of that period improvements in no case shall be assessed at more than 50 per cent of their value: *And provided further*, That hereinafter personal property, including household goods, merchandise, money in bank, stocks, notes, bonds, mortgages and other evidences of debt, jewelry, horses and other domestic animals, carriages, automobiles, books, machinery, implements, tools, office fixtures and furniture, boats, tugs and other vessels, locomotives, cars, wagons, carts, drays and like vehicles, shall be wholly exempt from taxation, but it is expressly provided that the value of all franchises shall be considered and treated as land values and assessed on the same basis as other land values for purposes of taxation.

SEC. 2. That all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Mr. Chairman, if this bill could be substituted for the one now pending, I feel certain that the results would be little less than

magical. We should see a response in the way of improvements such as that made to the exemptions provided by Houston, Vancouver, Victoria, and other cities which have ceased levying heavy fines on the improver. I want to see this Capital grow into one of beauty in every section, not in beauty here and there but everywhere—in the alleys as in the avenues, in the humbler quarters as in the regions of wealth and luxury. I want to see it "a city set on a hill" to light the way of other cities of the land and of the world to higher things. And this we should surely do were we here and now to try out the experiment of appropriating public values for public purposes, while leaving private values to the free and full enjoyment of those to whom they belong.

Mr. CROSSER. Mr. Chairman, at the risk of repeating some things which I said before, I am going to occupy seven or eight minutes.

There is one thing on which the gentleman from Iowa [Mr. PROUTY] and myself heartily agree, and that is that this discussion has gone entirely outside of the range of the question involved in this bill. As I said on two former occasions when I occupied this floor, the real purpose and the only purpose of this bill is and has been to establish a plan whereby we can get a full valuation assessment of the real estate, let the tax rate be what it may. But we have heard everything under the sun discussed except that very plain, simple proposition to which every reasonable and fair man can agree. The only reason for this bill being here at all is the fact that some property has been taxed on half its value, some on a third, and some on two-thirds, thereby doing a great injustice among the citizens of the District of Columbia; and yet because that proposition was so manifestly fair, so simple that anybody could see that it would pass the House, these gentlemen have seized upon that as a vehicle wherewith to carry their repeal of the half-and-half system into operation.

Mr. FESS. Will the gentleman yield right there?

Mr. CROSSER. Yes.

Mr. FESS. How can you fix an equitable basis for the taxation of real estate unless you know how much you want to raise and who is going to pay it?

Mr. CROSSER. You can fix an equitable assessment. You mean a tax rate, do you not?

Mr. FESS. Yes; a tax rate.

Mr. CROSSER. You must know—

Mr. FESS. My point was that you certainly have in mind whether the District is to pay it all or whether the Federal Government is to pay a part of it.

Mr. CROSSER. I was going to come to that. Mr. GEORGE'S original bill, which is represented by the amendment which I have pending before the House, is so framed as to avoid this whole controversy as to the half-and-half system. The language is such that, whether the District is to pay two-thirds, a half, or a quarter, it will always apply, because it simply says whatever the District is to raise it shall be raised by a rate determined and levied by the District Commissioners.

Mr. TOWNER. Mr. Chairman—

Mr. CROSSER. Let me call the gentleman's attention to the language in that respect:

Shall be sufficient to pay the portion to be borne.

That is all it says. We do not care whether it is half or two-thirds or all of it.

Mr. FESS. Who will fix the portion?

Mr. CROSSER. The District Commissioners shall fix a rate sufficient to pay the portion. Do you not see? Now, their bill, on the other hand, proposes to fix it rigidly by statute, a thing which is absolutely out of the question, in my opinion.

Mr. FESS. I like your plan better.

Mr. TOWNER. Mr. Chairman, I want to ask the gentleman if I understood him. Did he say that his amendment was exactly like the original bill? Is that it?

Mr. CROSSER. I think so; with perhaps some verbal changes that we thought wise.

Mr. TOWNER. It is substantially the same?

Mr. CROSSER. Substantially the same.

Mr. PROUTY. Under the original bill was personal property and real estate assessed at the same rate?

Mr. CROSSER. We did not mention personal property at all in the original bill.

Mr. PROUTY. You leave it at 15 mills by putting this on the graduated scale.

Mr. CROSSER. The idea was to do the same thing with personal property later.

Mr. PROUTY. Mr. Chairman—

Mr. CROSSER. I can not yield more. I must get through with this.

I have heard Members here say: "Let us dispose of this whole thing without further discussion; we do not want this further discussed at all; we do not want any change." I think that is absolutely a mistaken view to take of the matter. Here is one thing which every reasonable man must agree to—devise a plan which will provide an equitable assessment, so as to tax everybody in proportion to the true value of his real estate. If we should take the advice of some men, we would throw it all out of the window, because some gentlemen have succeeded in confusing the matter. If we take the George bill, which is represented by the amendment I have introduced here to the Johnson-Prouty bill, it is as simple as the rule of three. We say 12 assessors instead of 3, because we found that 3 were simply guessing at it. Now, what is hard about that, pray tell? Nothing that I can see. But here was the opportunity to slip in through this confusion what amounted to a repeal of this half-and-half law, a thing that they were afraid to come out with as a straight issue—the adjustment of the relations between the District of Columbia and the National Government. And so we have the irrelevant discussion which has resulted in this confusion. If it is kept clearly in mind that this is not a tax measure, but only a measure providing for assessment or valuation of property for taxation, the whole difficulty is solved and the confusion is removed.

Mr. GORMAN. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. GORMAN. Under the Prouty amendment is it not a fact that revenue would be raised without regard to whether the District had need for the revenue thus raised or not?

Mr. CROSSER. The gentleman is entirely correct.

Mr. GORMAN. Just one question more. Under the substitute which you have proposed is it not also true that as much revenue could be raised under your substitute as is raised under the Prouty amendment, with this exception, that the rate may be fixed or so regulated as not to gather any more revenue than the District may need?

Mr. CROSSER. Nor less. That is exactly correct. In other words, we provide machinery whereby they can procure exactly the amount of revenue the law and needs of the District require them to collect; or, in other words, enough to pay their share of the District's expense.

Mr. PROUTY. Will the gentleman yield?

Mr. CROSSER. I can not yield now. I have some other things which I wish to say.

Mr. PROUTY. Just one question.

Mr. CROSSER. If it is short.

Mr. PROUTY. Under your system, if your figures are correct, it will only be necessary to levy 6½?

Mr. CROSSER. I do not care what it is. If the Members of Congress are dissatisfied with the arrangement between the two Governments, let them proceed to amend the law which provides the amount each Government is to pay. That is an easy matter. Here is a bill, now, pending before the Congress, H. R. 9417, reported from the committee on December 17, in which this is specifically provided for. I will read the language—

That all acts and parts of acts, to the extent that they commit the United States to contribute one-half, or any other portion, be, and they are hereby, repealed.

If you wanted to destroy this great monster, about which you have pleaded so tearfully, there was and is your chance.

Mr. PROUTY. Why do not you do it?

Mr. CROSSER. You waited long months until we had gotten this bill up, which has nothing to do with anything except the assessment of real estate for taxation, and then you put that bill, as a rider, on a measure that has nothing to do with it. That is the truth about it.

So, gentlemen, I urge you to stop and think what the real purpose of the original George bill is. Every one of you will vote for it if you do. It is as simple as it possibly can be. It is simply to provide for a full valuation of the real estate, not to change the arrangement between the United States Government and the District government, but to make equitable and fair assessment, and thereby distribute justly the burden of taxation among the different citizens of the District of Columbia in proportion to the value of their property. Then if you want to change the arrangement between the National Government and the District government, it will be a simple thing. Nobody is going to complain about it. I will vote for a change in arrangement; but let us legislate upon one thing at a time.

Mr. OGLESBY. Has the committee made any effort to ascertain that proportion?

Mr. CROSSER. No; we made no effort. As soon as it was proposed to inject this question into the bill we found ourselves with all kinds of differences of opinion and all kinds of con-

fusion. One gentleman was talking about taxing intangible property at one rate, and another gentleman was talking about taxing it at another rate. The fact is that this is not a bill to arrange a system of taxation, but is a bill to provide a method and means for assessing property or ascertaining its true value.

Mr. OGLESBY. Your view is that the committee should make an examination and ascertain a fair proportion, whatever it is, and put it into a law?

Mr. CROSSER. Yes; and make a fair proportion.

Mr. JOHNSON of Kentucky. Mr. Chairman, I will ask the gentleman the purpose of his inquiries as to getting information upon which to vote or not to vote.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. Mr. Chairman, I ask unanimous consent that the gentleman be given a little more time.

The CHAIRMAN. The time of the gentleman from Ohio has asks unanimous consent that his colleague, Mr. CROSSER, proceed for five minutes. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Chairman, I object.

Mr. MANN. Three days have been spent on this bill.

The CHAIRMAN. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Kentucky [Mr. JOHNSON] to the substitute offered by the gentleman from Ohio [Mr. CROSSER].

Mr. BRYAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. CROSSER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kentucky to the amendment of the gentleman from Ohio [Mr. CROSSER].

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. IGOE. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 40, noes 30.

Mr. IGOE. Mr. Chairman, I ask for tellers.

Mr. CROSSER. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. JOHNSON of Kentucky and Mr. CROSSER to act as tellers.

The committee again divided; and the tellers reported—ayes 37, noes 35.

The CHAIRMAN. On this vote the ayes are 37 and the noes are 35, and the amendment to the amendment is agreed to. The question is now on the substitute offered by the gentleman from Ohio [Mr. CROSSER] as amended by the amendment of the gentleman from Kentucky [Mr. JOHNSON].

Mr. CAMPBELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CAMPBELL. Did the Chair announce the result of the last vote?

The CHAIRMAN. The Chair announced the result of the last vote. The question is on agreeing to the substitute as amended. The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. IGOE. A division, Mr. Chairman.

The committee divided; and there were—ayes 37, noes 32.

Mr. MANN and Mr. IGOE demanded tellers.

Tellers were ordered, and the Chairman appointed Mr. JOHNSON of Kentucky and Mr. CROSSER to act as tellers.

The committee again divided; and the tellers reported—ayes 47, noes 31.

So the substitute as amended was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. JOHNSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Kentucky. I would like to ask what is the parliamentary status of the bill?

Mr. MANN. You need not read the bill; but, as I stated a moment ago, you might ask unanimous consent to strike out the rest of the bill without reading.

Mr. JOHNSON of Kentucky. I make that request, Mr. Chairman.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] asks unanimous consent that the remaining portion of the bill be stricken out without reading. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. I now move, Mr. Chairman, that the committee rise and report the bill with amendments to the House, with the expression of opinion that the bill as amended should pass.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] moves that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes, had directed him to report back the same to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves the question on the bill and amendments to final passage.

The previous question was ordered.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. If the House should now adjourn out of respect to the memory of the sailors and marines over in New York whose bodies have been brought from Vera Cruz, would this matter come up the first thing to-morrow?

The SPEAKER. It would, barring some matter of privilege.

Mr. JOHNSON of Kentucky. I understand, Mr. Speaker, that the gentleman from Texas [Mr. HENRY], chairman of the Committee on Rules, is here with something to present.

Mr. MANN. There will be a roll call on the bill in the morning. I do not think there is a quorum here now.

Mr. HENRY. I will announce, Mr. Speaker, that I shall present a privileged resolution to-morrow immediately after this bill is disposed of.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 145. Joint resolution authorizing the President to detail Lieut. Frederick Mears to service in connection with proposed Alaskan railroad.

CLASSIFICATION OF UNRESERVED AND UNAPPROPRIATED LANDS.

Mr. KENT. Mr. Speaker, I ask unanimous consent to withdraw House Report No. 579 on House joint resolution 250, relating to the classification of unreserved and unappropriated public lands, and to have a reprint of the report, with the addition of a letter from the Secretary of the Interior, Mr. Lane, relating to the subject.

The SPEAKER. The gentleman from California asks unanimous consent to withdraw Report No. 579 and to reprint the report, to include a letter from the Secretary of the Interior. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. BROWN of West Virginia, for three days, on account of important business.

ADJOURNMENT.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House do now adjourn out of respect to the memory of the marines and sailors who were killed at Vera Cruz, whose funeral is taking place in New York to-day.

The SPEAKER. The gentleman from Kentucky moves that the House adjourn out of respect to the memory of the marines and sailors who were killed at Vera Cruz.

The motion was agreed to.

Accordingly (at 4 o'clock and 7 minutes p. m.) the House adjourned until Tuesday, May 12, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 14687) to appropriate a sum of money to Herman Rehn for injuries sustained while in the em-

ploy of the naval authorities of the United States at the Naval Academy, Annapolis, Md., reported the same with amendment, accompanied by a report (No. 656), which said bill and report were referred to the Private Calendar.

Mr. METZ, from the Committee on Claims, to which was referred the bill (H. R. 4535) for the relief of Erskine R. Hayes, reported the same with amendment, accompanied by a report (No. 657), which said bill and report were referred to the Private Calendar.

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 5966) for the relief of Clyde Odum, reported the same with amendment, accompanied by a report (No. 658), which said bill and report were referred to the Private Calendar.

Mr. MOTT, from the Committee on Claims, to which was referred the bill (H. R. 1089) for the relief of Amanda Honert, reported the same without amendment, accompanied by a report (No. 659), which said bill and report were referred to the Private Calendar.

Mr. POU, from the Committee on Claims, to which was referred the bill (H. R. 2344) granting a pension claim to Joseph Hunter, reported the same without amendment, accompanied by a report (No. 660), which said bill and report were referred to the Private Calendar.

Mr. MOTT, from the Committee on Claims, to which was referred the bill (H. R. 7049) to reimburse the Port Angeles City Dock Co. for damage done to the dock of that company by the United States revenue cutter *Snohomish*, reported the same without amendment, accompanied by a report (No. 661), which said bill and report were referred to the Private Calendar.

Mr. POU, from the Committee on Claims, to which was referred the bill (H. R. 12681) for the relief of W. W. Wall, reported the same without amendment, accompanied by a report (No. 662), which said bill and report were referred to the Private Calendar.

Mr. VOLLMER, from the Committee on Claims, to which was referred the bill (H. R. 16065) for the relief of Julia Klavin-ski, reported the same without amendment, accompanied by a report (No. 663), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MANAHAN: A bill (H. R. 16440) to prevent the spread of hog cholera and kindred diseases during or in consequence of the carrying of animals by railroad or other means of transportation from any State or Territory of the District of Columbia into or through any other State or Territory or the District of Columbia; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY of Washington: A bill (H. R. 16441) repealing a certain section contained in the urgent deficiency act approved December 22, 1911; to the Committee on War Claims.

By Mr. NEELY of West Virginia: Resolution (H. Res. 512) authorizing and directing the Committee on the Judiciary to make such investigation of the official conduct of Alston G. Dayton, judge of the District Court of the United States for the Northern District of West Virginia, as may be necessary to establish the truth or falsity of various charges preferred against him; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 16442) granting an increase of pension to John H. Ashbaugh; to the Committee on Invalid Pensions.

By Mr. BROCKSON: A bill (H. R. 16443) granting an increase of pension to Margaret P. Mensch; to the Committee on Invalid Pensions.

By Mr. BUCHANAN of Illinois: A bill (H. R. 16444) granting an increase of pension to Richard A. H. Scheuler; to the Committee on Pensions.

By Mr. CARY (H. R. 16445) granting a pension to Patrick J. McCormick; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 16446) granting an increase of pension to Charles Goth; to the Committee on Invalid Pensions.

By Mr. CLAYTON: A bill (H. R. 16447) for the relief of John L. Moon; to the Committee on Claims.

Also, a bill (H. R. 16448) granting a pension to Sarah Atkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16449) granting a pension to Rachel L. Jewett; to the Committee on Invalid Pensions.

By Mr. DECKER: A bill (H. R. 16450) granting a pension to Ann E. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16451) granting a pension to Mary R. Gorham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16452) granting a pension to Mary M. Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16453) granting a pension to Sarah L. Orr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16454) granting a pension to Hattie D. Osborn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16455) granting an increase of pension to Charles P. Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16456) granting an increase of pension to William Lathrop; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16457) granting an increase of pension to E. A. Paschal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16458) granting an increase of pension to Peter Swassen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16459) granting an increase of pension to Michall Z. Williamson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16460) for the relief of Thomas E. Coleman; to the Committee on Military Affairs.

Also, a bill (H. R. 16461) for the relief of James C. Owens; to the Committee on Military Affairs.

By Mr. FOWLER: A bill (H. R. 16462) granting an increase of pension to William Ramage; to the Committee on Invalid Pensions.

By Mr. HULL: A bill (H. R. 16463) granting an increase of pension to Daniel Eastwood; to the Committee on Invalid Pensions.

By Mr. IGOE: A bill (H. R. 16464) granting an increase of pension to Rodney W. Anderson; to the Committee on Invalid Pensions.

By Mr. KEISTER: A bill (H. R. 16465) granting an increase of pension to Augustus T. Spence; to the Committee on Invalid Pensions.

By Mr. KORBLY: A bill (H. R. 16466) for the relief of Samuel D. Kingsbury; to the Committee on Claims.

By Mr. LA FOLLETTE: A bill (H. R. 16467) granting a pension to Birney M. Snyder; to the Committee on Invalid Pensions.

By Mr. MURRAY of Oklahoma: A bill (H. R. 16468) granting a pension to Rebecca J. Ross; to the Committee on Invalid Pensions.

By Mr. NEELY of West Virginia: A bill (H. R. 16469) granting an increase of pension to Lafayette Crouser; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 16470) granting an increase of pension to George P. Spade; to the Committee on Invalid Pensions.

By Mr. WEBB: A bill (H. R. 16471) granting a pension to James F. Morrissey; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry citizens of Tipton County, Ind., and members of Goldsmith Charge, of Goldsmith, Ind., favoring national prohibition; to the Committee on the Judiciary.

Also (by request), memorial of the Public Ownership Association of California, relative to Government ownership of coal mines in United States; to the Committee on the Judiciary.

Also (by request), memorial of the Survivors' Association of the Twenty-ninth Regiment Pennsylvania Volunteers, favoring passage of a bill to increase the pensions of Civil War veterans; to the Committee on Invalid Pensions.

Also (by request), petition of the Hall Printing Co., of Chicago, Ill., favoring a 5 per cent freight rate increase and protesting against experimental legislation; to the Committee on Interstate and Foreign Commerce.

Also (by request), memorial of sundry citizens of Cincinnati, Ohio; Houston and Sheldon, Ill.; McDonald, Pa.; Albany, N. Y.; Jamestown, N. Dak.; Plymouth, Ind.; Ottumwa, Iowa; Bridgton and Newark, N. J., protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petitions of sundry citizens of Maryland and Brooklyn, N. Y., against polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petitions of the Chicago Federation of Labor and Socialist Party of St. Paul, of St. Paul, Minn., relative to strike conditions in Colorado; to the Committee on the Judiciary.

Also (by request), petition of the Political Equality Club of Warrensburg, Mo., favoring woman's suffrage amendment; to the Committee on the Judiciary.

By Mr. AVIS: Petitions of sundry citizens of West Virginia, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of West Virginia, against national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petitions of Rev. J. W. Mills, Amos Campbell, Maurice Stayer, Francis Kager, Peter Stutzman, Rev. G. C. McDowell, W. I. Strayer, Aaron Strayer, R. J. McDowell, J. L. Replogle, John Allison, W. F. M. Campbell, Frank Stutzman, H. B. Meekings, C. M. Kimmel, Daniel H. Howard, A. S. Howard, John A. McMillan, Lewis Campbell, P. M. Edmiston, William F. McMillan, Harry Kyle, E. E. Marsh, T. D. Rager, V. E. Mineely, C. H. Berkebile, W. T. Mock, George Baeder, Dr. W. S. Griffith, Ralph L. Berkebile, Jacob H. Miller, Park Custer, S. H. Brallier, John Pearson, Elmer Piper, L. G. Gassard, L. B. Harshberger, William Vickroy, H. E. Wertz, G. A. Shumaker, S. P. Miller, L. C. Penrod, W. H. Stutzman, L. L. Myers, James Dover, A. C. Stutzman, J. M. Hofecker, John L. Harshberger, R. E. Long, George L. Peterson, A. F. Johns, Samuel Roddy, H. Hofecker, M. V. Shaffer, James Hart, R. A. Keafer, H. J. Kniss, W. M. Dunkle, A. S. Palliser, C. A. Orner, John Eckle, J. M. Harshberger, W. B. Wissinger, A. J. Strayer, William Rugh, J. B. Noffsinger, Jerry McCreary, Eli Wissinger, Samuel Harrison, C. O. Rogers, H. A. Berkebile, C. J. Berkebile, F. W. Berkebile, J. A. Wertz, W. L. Brougher, Elias Miller, George B. Wertz, Charles Beam, W. H. Keizer, J. C. Dailey, W. L. Blough, W. H. McCreary, D. M. Berkebile, Sam Shaffer, C. Wissinger, C. A. Cable, A. C. Darr, Jesse Foust, W. T. Millinger, J. G. Custer, Irvin Thomas, E. H. Detweiler, Lewis Keizer, John L. Dailey, W. M. Howe, D. C. Ribblett, F. Ribblett, J. S. Ribblett, S. L. Ribblett, E. S. Yeager, W. G. Wilson, J. H. Berkebile, E. Berkebile, Rev. J. Booth, S. R. Cratzer, Thomas J. Murphy, Richard John, Calvin Burket, W. S. Langham, J. G. Weaver, William F. Nolte, George Weaver, D. A. Williams, D. S. Harris, Frank Berkebile, H. L. Turner, W. S. Pringle, Jacob Barnhart, Harry Nolte, and S. D. Ickes, all of Johnstown, Pa., for passage of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

By Mr. BALTZ: Petition of sundry citizens of the twenty-second congressional district of Illinois, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BROCKSON: Resolutions by Woman Suffrage Associations of Wilmington, Newark, New Castle, Middletown, Georgetown, Greenwood, and Lewes, all in the State of Delaware, in favor of woman suffrage; to the Committee on the Judiciary.

By Mr. BROWN of New York: Petition of sundry voters of the first congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BROWNING: Petition of 636 citizens of Williamstown, N. J., and 162 citizens of Newfield, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 416 citizens of Camden, N. J., opposing national prohibition; to the Committee on the Judiciary.

By Mr. BURKE of South Dakota: Petitions of various business men of South Dakota, favoring taxation of mail-order houses; to the Committee on Ways and Means.

By Mr. BURKE of Wisconsin (by request): Resolutions adopted by sundry citizens of Jefferson and Waterloo, Wis., asking for the passage of the Bristow-Mondell resolution, providing for a constitutional amendment in favor of woman suffrage; to the Committee on the Judiciary.

Also, petitions of various business men of Portage, Poynette, and Coloma, Wis., asking for the passage of House bill 5308, to compel concerns selling goods entirely by mail to contribute their portion of funds in the development of the local community, county, and State; to the Committee on Ways and Means.

Also: Resolutions adopted by Sheboygan Verein, No. 42, of Sheboygan, Wis., protesting against the passage of House joint resolution 168, Senate joint resolutions 50 and 88, and against all similar prohibition measures; to the Committee on the Judiciary.

Also, petitions signed by 185 voters of Beaver Dam, Wis., and the city of Sheboygan, Wis., protesting against the passage of House joint resolution 168, Senate joint resolutions 50 and 88, and against all similar prohibition measures; to the Committee on the Judiciary.

By Mr. CRAMTON: Petitions of C. H. Stimson and 42 other business men and property owners, of Mount Clemens, Mich., and William Jones and 66 other voters, of Marine City, Mich.,

protesting against the Hobson resolution for national prohibition; to the Committee on the Judiciary.

Also, resolutions of the Michigan Intercollegiate Prohibition Association and the Huron County (Mich.) Ministerial Association, in support of the Hobson resolution for national prohibition; to the Committee on the Judiciary.

Also, memorial of A. R. Hahn, of Utica; Wolf Bros., of Mount Clemens; R. H. Gregory, of Lapeer; and Fred Raymond, of Port Sanilac, all in the State of Michigan, in behalf of House bill 13305, the Stevens standard price bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of R. D. Chapin, of Detroit, Mich., in support of House bill 14739, proposing establishment of national park in what is now known as Pajarito, N. Mex.; to the Committee on the Public Lands.

Also, memorial of L. O. Hilsendegen, of Grosse Pointe, Mich., in favor of appropriation for enforcement of Federal migratory game law; to the Committee on Agriculture.

By Mr. CURRY: Petition by 9 citizens of Sacramento County, Cal., against House joint resolution 168 and Senate joint resolutions 88 and 50, relative to national prohibition; to the Committee on the Judiciary.

By Mr. DONOVAN: Petition of the Local Aerie Fraternal Order of Elks of Danbury, Conn., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of Local No. 269, Bartenders' International League of America, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens of the State of Kansas, favoring a bureau of farm loans (H. R. 11775); to the Committee on Banking and Currency.

By Mr. ESCH: Petition of the Chicago Federation of Labor, relative to Government ownership of coal mines in the United States; to the Committee on the Judiciary.

Also, memorial of the National Association of Vicksburg Veterans, relative to appropriation for peace celebration at Vicksburg National Park; to the Committee on Military Affairs.

Also, memorial of the Independent Retail Merchants of Greater New York, favoring passage of the Stevens bill (H. R. 13300) relative to equal opportunity to all business men; to the Committee on Interstate and Foreign Commerce.

Also, petition of sundry citizens of Humbird, Withee, and Greenwood, all in the State of Wisconsin, favoring passage of House bill 5308, relative to mail-order houses; to the Committee on Ways and Means.

Also, petition of the tariff-reform committee of the Reform Club, favoring repeal of canal-tolls exemption; to the Committee on Interstate and Foreign Commerce.

Also, petition of the International Union of the United Brewery Workmen, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. FESS: Petitions of 22 citizens of Ohio, opposing national prohibition; to the Committee on the Judiciary.

Also, petition of 78 citizens of Wilmington, Ohio, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Highland County, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. FRENCH: Petition of sundry citizens of Viola, Spalding, Genesee, Lewiston, and Juliaetta, all in the State of Idaho, favoring the passage of House bill 12928, retaining section 6, relative to Sunday work in post offices; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Viola, Juliaetta, Genesee, Spalding, and Lewiston, all in the State of Idaho, favoring passage of House bill 7826, the Sunday-observance bill; to the Committee on the District of Columbia.

By Mr. GARNER: Memorial of the Palestine (Tex.) Trade and Labor Council, relative to Government ownership of the coal mines of the United States; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Petitions of sundry citizens of Philadelphia, Pa., against national prohibition; to the Committee on the Judiciary.

Also, petition of the Independent Retail Merchants of Greater New York, favoring House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Chamber of Commerce of Erie, Pa., against enacting antitrust legislation at this time; to the Committee on the Judiciary.

Also, petition of the Woman's Christian Temperance Union of Leola, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HOUSTON: Petitions of various business men of Petersburg, Lewisburg, Tullahoma, Shelbyville, Huntland,

Fayetteville, Smyrna, Wartrace, and Murfreesboro, all in the State of Tennessee, that legislation may be enacted which will compel concerns selling goods direct to consumers entirely by mail to contribute their portion of funds in the development of the local community, the county, and the State; to the Committee on Ways and Means.

By Mr. IGOE: Petitions of J. C. Bemis and A. B. Young, of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

Also, petition of Charles & Moore, of St. Louis, Mo., protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of the Reid Oil & Machinery Co.; N. W. McLeod; Edward L. Preetorius; Otto L. Teichmann; Bowman, Cost & Co.; and the American Trust Co., all of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

Also, petitions of W. A. Mahoney and others, of St. Louis, Mo., protesting against national prohibition; to the Committee on the Judiciary.

Also, memorial of the St. Louis (Mo.) Turnbezirk, in convention of 5,000 members, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. KALANIANAOLE: Petition of the Kapaa Farmers' Association and various homesteaders of the District of Kaula, Kauai, Hawaii, favoring appropriation to build breakwater at Nawiliwili, Kauai; to the Committee on the Territories.

By Mr. KINKEAD of New Jersey: Petition of sundry citizens of Hudson, N. Y., and voters of the eighth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. KORBLY: Petitions of sundry citizens of Indianapolis and many others of the State of Indiana, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LA FOLLETTE: Petition of sundry citizens of Spokane, Wash., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry voters of the third congressional district of Washington, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LIEB: Petitions of the St. Heinrich Benevolent Society, A. J. Sator, president, and St. Michael's Benevolent Society, George Bloes, president, of Evansville; also 2,768 citizens of Vanderburg, Warrick, Spencer, Gibson, and Posey Counties, all in the State of Indiana, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MCCLELLAN: Petitions of 24 citizens of Sullivan County, N. Y., and sundry citizens of South Fallsburg, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MCKENZIE: Petition of sundry citizens of Sterling, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MARTIN: Petition of Council No. 516, United Commercial Travelers of America, of Rapid City, S. Dak., favoring Senate bill 2337, to create a coast guard; to the Committee on Interstate and Foreign Commerce.

Also, petition of sundry citizens of Faulk County, S. Dak., favoring woman-suffrage amendment; to the Committee on the Judiciary.

By Mr. MURRAY of Oklahoma: Petitions of 70 citizens of Maysville, 194 citizens of Randolph, 100 citizens of Tishomingo, and sundry citizens of Fairland, all in the State of Oklahoma, favoring national prohibition; to the Committee on the Judiciary.

By Mr. NELSON: Petition of sundry citizens of Mount Hope, Wis., favoring the passage of national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Belmont, Cobb, Cuba City, Fennimore, Gays Mills, and Ridgeway, all in the State of Wisconsin, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. O'LEARY: Petitions of sundry citizens of Queens County, E. La Montague's Sons, Loxdow Wine & Spirit Co., and Sonoma Wine & Brandy Co., all of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petitions of the International Union of United Brewery Workmen, of Cincinnati, Ohio, and sundry citizens and business firms of Providence and Newport, R. I., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. PADGETT: Petition of sundry citizens of the seventh congressional district, Tennessee, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. PETERSON: Petition of sundry citizens of Cary, Whiting, East Chicago, Lafayette, and other cities of the tenth congressional district of Indiana, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. POST: Petition of various persons of Bradford, West Milton, Troy, Covington, Pleasant Hill, and Piqua, all of Miami County, Ohio, for Congress to pass a law to compel concerns selling goods direct to consumers by mail to contribute their portion of funds in the development of the local community; to the Committee on Ways and Means.

Also, petition of W. B. Baldwin and other citizens of Clark County, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RAKER: Resolutions by the Public Ownership Association, of San Francisco, Cal., favoring the operation as public utilities by the Government of all coal mines and oil fields; to the Committee on the Judiciary.

Also, resolutions by the San Francisco Board of Trade, San Francisco, Cal., favoring House bill 2743, authorizing the Secretary of the Treasury to cause to be erected a suitable building for marine-hospital purposes in San Francisco; to the Committee on Public Buildings and Grounds.

By Mr. SCULLY: Petitions of sundry citizens and business firms of the State of New Jersey and International Union of the United Brewery Workmen, of Cincinnati, Ohio, protesting against national prohibition; to the Committee on the Judiciary.

Also, memorial of the Independent Retail Merchants of New York City, favoring passage of the Stevens bill (H. R. 13305) relative to price maintenance; to the Committee on Interstate and Foreign Commerce.

By Mr. SELDOMRIDGE: Petition of the Longmont Commercial Association, favoring Stevens standard-price bill (H. R. 13305); to the Committee on Interstate and Foreign Commerce.

Also, petition of sundry citizens of Colorado Springs, Colo., favoring woman-suffrage amendment; to the Committee on the Judiciary.

By Mr. SELLS: Petition of various business men of Sevierville, Tenn., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. M. C. SMITH: Petition of 1,059 citizens of Coldwater, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SPARKMAN: Petition of sundry citizens of Coleman, the United Church of Christ, and the Congregational Church of St. Petersburg, all in the State of Florida, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TEN EYCK (by request): Petitions of James H. Gilmore, A. Trenting, H. J. Berg, G. H. Dyer, J. A. Ray, William A. Graham, Charles Harrod, F. E. Hinchey, J. F. Quenlan, E. J. Smith, and others, all of the International Association of Machinists, in the State of New York, in favor of the machinists' wage bill (H. R. 12740); to the Committee on Labor.

By Mr. TUTTLE: Petition of sundry business men of the fifth congressional district of New Jersey, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

Also, petitions of 82 citizens of the fifth congressional district of New Jersey and 168 citizens of Elizabeth, N. J., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. UNDERHILL: Petition of the Independent Retail Merchants of Greater New York, favoring House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Reform Club Tariff Reform Committee, New York City, favoring repeal of the canal-tolls exemption; to the Committee on Interstate and Foreign Commerce.

Also, petition of General A. S. Diven Camp, No. 77, Sons of Veterans, of Horseheads, N. Y., against changing the United States flag; to the Committee on the Judiciary.

Also, petitions of sundry citizens of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. VARE: Petition of 515 citizens of the first congressional district of Pennsylvania, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Philadelphia, Pa., against national prohibition; to the Committee on the Judiciary.

By Mr. WALLIN: Petition of 50 voters of the thirtieth New York congressional district, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of various teachers of the schools in Schenectady, N. Y., favoring the enactment of a law establishing a censorship for moving pictures; to the Committee on Education.

By Mr. WILLIS: Petition of D. E. Strayer and five other citizens of De Graff, Ohio, in favor of local taxation of mail-order houses; to the Committee on Ways and Means.

Also, petition of the Woman Suffrage Association of Dayton, Ohio, in favor of constitutional amendment to provide for woman suffrage; to the Committee on the Judiciary.

SENATE.

TUESDAY, May 12, 1914.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou dost teach us the higher unity of life by the very sacrifices that we are called upon to make for the public good. Thou hast brought us into a blessed brotherhood. Thou dost make much of the blessing of life depend upon the spirit with which we mingle with our fellow men. Thou hast placed many things before us which are more to be prized than life itself. Honor and truth and freedom are far more valuable than any human life. We thank Thee that the high aspirations Thou hast created within us point us to something beyond the mere life which we live. The promise which is voiced by our own heart's desire for life abundant and for freedom eternal is the prophecy of its fulfillment hereafter. Bless us this day in the discharge of its duties. May we live up to the high privilege of the sons of God. For Christ's sake. Amen.

Mr. STONE. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Asnurst	Gore	Norris	Smith, Mich.
Bankhead	Gronna	Oliver	Smith, S. C.
Borah	Hitchcock	Overman	Smoot
Brady	Hollis	Owen	Sterling
Brandeggee	Hughes	Page	Stone
Bristow	James	Perkins	Sutherland
Bryan	Johnson	Pittman	Thomas
Burleigh	Jones	Poinceter	Thompson
Burton	Kenyon	Reed	Thornton
Chilton	Kern	Robinson	Tillman
Clapp	La Follette	Root	Townsend
Clark, Wyo.	Lane	Shafroth	Walsh
Clift	Lee, Md.	Sheppard	Warren
Crawford	McCumber	Sherman	West
Cummins	McLean	Shively	Williams
Dillingham	Martin, Va.	Smith, Ariz.	Works
Gallinger	Martine, N. J.	Smith, Ga.	

Mr. SHEPPARD. I wish to announce the necessary absence of my colleague [Mr. CULBERSON], and to state that he is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

Mr. THORNTON. I desire to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN]. I will let this announcement stand for the day.

Mr. OVERMAN. I desire to announce that my colleague [Mr. SIMMONS] is confined to his home by indisposition.

Mr. CHILTON. I wish to announce the necessary absence of the Senator from New Mexico [Mr. FALL]. I will let this announcement stand for the day.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum. The Secretary will read the Journal of the proceedings of the preceding session.

The Secretary proceeded to read the Journal of the proceedings of Saturday last, when, on request of Mr. GALLINGER and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 4158) to reduce the fire limit required by the act approved March 4, 1913, in respect to the proposed Federal building at Salisbury, Md.

The message also announced that the House had passed a bill (H. R. 15280) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1915, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

H. R. 3432. An act to reinstate Frank Ellsworth McCorkle as a cadet at the United States Military Academy; and